

# DAILY REPORT

## Asia & Pacific

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U.S. INFORMED KANSAI AIRPORT BIDDING SET FOR SEP

OW080739 Tokyo KYODO in English 0703 GMT 8 Aug 86

[Text] Tokyo, Aug. 8 KYODO -- Japan told the United States Friday it will hold a seminar in Osaka next month on bidding procedures for American firms interested in participating in the construction of Kansai International Airport in Western Japan. The Transport Ministry conveyed the seminar plan to the U.S. embassy here after Minister Ryutaro Hashimoto told Prime Minister Yasuhiro Nakasone that the seminar, as requested by Washington, will be held in Osaka in mid or late September.

The briefing, sponsored by the Kansai International Airport Co., will cover the outlines of the proposed airport and bidding procedures for U.S. companies, Hashimoto said. The Transport Minister noted, however, that the seminar will be limited to bidding procedures for later stages of construction work and equipment and material procurement. The seminar, Hashimoto explained to Nakasone, will exclude bidding procedures for construction of an artificial island, shore protection works and a connecting bridge to the airport.

The prime minister, officials said, asked Hashimoto how his ministry plans to deal with South Korea and the 12-nation European Community, which have expressed interest in obtaining contracts for parts of the airport project. The airport issue was a key subject for discussion between Hashimoto and visiting U.S. Commerce Secretary Malcolm Baldrige July 28. "We will study if there are such requests (for seminars) from South Korea and the EC," an official quoted Hashimoto as telling Nakasone. Yoshio Takeuchi, president of the airport company, has said foreign countries will be barred from bidding on initial work for the 1 trillion yen airport, which will be Japan's first 24-hour airfield.

ISAS SAYS U.S. TO PARTICIPATE IN SPACE PROJECT

OW110925 Tokyo KYODO in English 0637 GMT 11 Aug 86

[Text] Tokyo, Aug. 11 KYODO -- The United States has decided to join Japan's space project for observing solar activity, the project organizer, Institute of Space and Astronautical Science (ISAS) announced Monday. This will be the first time the U.S. will substantially participate in the Japanese satellite project with its advanced telescopes for observing explosions on the surface of the sun, ISAS said.

ISAS, an Education Ministry organization, said the U.S. has decided to join the Japanese satellite project following the January 28 space shuttle disaster which set back the U.S. space exploration. ISAS said the project, aimed at collecting data on solar activity, will help solve mysteries of space such as black holes, and will add new knowledge to scientific endeavors like nuclear fusion and contribute ideas for the U.S. strategic defense initiative (SDI) project.

ISAS, with the help of U.S. scientists, will carry out the project using its self-developing satellite called "Solar A," on which Japan and the United States will mount their respective advanced x-ray telescopes for precise solar observation, ISAS said. Solar A will be launched in the summer of 1991, when solar activity will be at a peak, that occurs only every 11 years, ISAS said.



The final selection of U.S. participants is now being made by the U.S. National Aeronautics and Space Administration (NASA). The first Japan-U.S. project meeting is scheduled for October.

"The U.S. has for a long time wanted to mount one of its telescopes on our satellite, and NASA is welcoming the joint project as a new type of international cooperation," said Minoru Oda, director of ISAS. He said this indicates that Japan's space research projects are highly regarded internationally.

ISAS successfully carried out a solar observation satellite project in 1981, and it conducted an international cooperative observation project on Halley's comet this year.

#### JAPAN FINANCIALLY AIDS LAOTIAN POWER INDUSTRY

OW120439 Tokyo KYODO in English 0417 GMT 12 Aug 86

[Text] Tokyo, Aug. 12 KYODO -- The Japanese Government is to provide a grant of up to 513 million yen to Laos to repair substations in the Nam Gum hydroelectric power station in the north of the country, government officials said Tuesday. The two countries exchanged diplomatic notes on the aid in Vientiane the same day, the officials said.

The hydroelectric power station, mainly financed by Japan under the direction of the Economic and Social Commission for Asia and the Pacific (ESCAP), has a generating capacity of 150,000 kilowatts and supplies electricity both to Laos and the northeast Thailand. But six substations in the power station are already 10 years old and need repair work, the officials said. Japan provided similar aid in the last fiscal year, they said.

#### BANK GOVERNOR DENIES FURTHER DISCOUNT RATE CUT

OW130831 Tokyo KYODO in English 0725 GMT 13 Aug 86

[Text] Tokyo, Aug. 13 KYODO -- Satoshi Sumita, governor of the Bank of Japan, Wednesday said he does not think the West German Central Bank, Bundesbank, has changed its monetary policy, implying that West Germany is not likely to carry out a coordinated cut in key interest rates with the United States.

His remarks came against reports from New York Tuesday that U.S. Federal Reserve Board Chairman Paul Volcker and Bundesbank President Karl Otto Poehl agreed last weekend to consider concerted reductions in the official discount rate by major industrial nations.

Sumita told a press conference that he has not been informed of the content of the talks between the two central bank chiefs. "I don't think that the talks contained anything that needs to be reported to the Bank of Japan," Sumita said. Sumita reiterated that the Bank of Japan has no intention of further reducing the official discount rate at the moment, the base rate, which the central bank charges on loans to commercial banks, now stands at a postwar record low of 3.5 percent per annum in Japan. Credit conditions in Japan have been sufficiently eased and thus no additional monetary measures are needed to stimulate the economy, Sumita said.

The U.S. has been calling for interest rate cutbacks in West German and Japan to spur their economies and for concerted action in doing so as it fears that unilateral reduction by the U.S. could lead to a free fall in the dollar.

Sumita repeated that each central bank should independently decide a change in monetary policy. But he did not flatly deny the possibility of coordinated rate reductions as he said the Bank of Japan will remain flexible in determining its monetary policy including a cut in the discount rate.

With regard to progress being made between the International Monetary Fund (IMF) and Mexico which has an external debt of about 100 billion dollars, Sumita said the Bank of Japan is prepared to extend necessary "bridging loans" to Mexico, while declining to give the amount of such loans. The IMF and central banks involved are now finalizing talks on the loans which will be supplied to Mexico until additional loans by the IMF, the World Bank and commercial banks to Mexico are extended.

UDSP LEADER TO ATTEND UN COMMITTEE MEETING

OW141005 Tokyo KYODO in English 0852 GMT 14 Aug 86

[Text] Tokyo, Aug. 14 KYODO -- Satsuki Eda, leader of the opposition United Democratic Socialist Party, left for New York Thursday to attend a special United Nations committee meeting on East Timor. Eda is expected to deliver a speech calling for respect of East Timor's right of self-determination and inclusion of representatives of East Timor in negotiations between Portugal and Indonesia.

KIM YUN-HYOK APPOINTED FIRST VICE PREMIER

SK122204 Pyongyang Domestic Service in Korean 2100 GMT 12 Aug 86

["Decree" of the DPRK Central People's Committee]

[Text] The DPRK Central People's Committee appoints Comrade Kim Yun-hyok as first vice premier of the DPRK State Administration Council.

[Signed] DPRK President Kim Il-song,

12 August 1986, Pyongyang

KANG SONG-SAN SPEAKS AT CUBAN ENVOY'S RECEPTION

SK140752 Pyongyang Domestic Service in Korean 2200 GMT 13 Aug 86

[Text] Ricardo Danza Sigas, ambassador of the Republic of Cuba to our country, held a reception at his embassy on the evening of 13 August to mark the 60th birthday of Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Cuban Communist Party [CPC], president of the Council of State, and president of the Council of Ministers.

Invited to the reception were Comrade Kang Song-san, member of the Political Bureau of the WPK Central Committee and premier of the Administration Council; Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Kin Yong-nam, member of the Political Bureau of the WPK Central Committee, vice premier of the Administration Council, and foreign minister; Comrade Kim Pok-sin, alternate member of the Political Bureau of the WPK Central Committee and vice premier of the Administration Council; Yang Hyong-sop, chairman of the Standing Committee; and Hyon Chun-kuk, Yi Song-pok, Choe Chong-kun, Kim Pong-cho, Chang Chol, Yi Chong-yul, Chong Ki-chol, Pak Chung-kuk, Kil Chae-kyong, Choe Yong-hae, and other functionaries from sectors concerned.

Ambassador Ricardo Danza Sigas spoke at the banquet. He referred to achievements attained by Comrade Fidel Castro Ruz in the struggle to achieve victory in the Cuban people's revolution and to build a new society. He said Comrade Fidel Castro Ruz organized the forces of uprising, won victory in the Cuban revolution, and later strengthened and developed armed revolutionary forces and the communist party. He then said that by applying Marxism-Leninism to the peculiar conditions in Cuba, Comrade Fidel has guaranteed victory in the Cuban revolution.

He said that by bringing about a basic change in its history, the Republic of Cuba has become a free and independent country that builds perfect socialism and has greatly encouraged fraternal countries in Latin America and the Third World. He continued: Because of this, the Cuban people follow, revere, and admire Comrade Fidel as the supreme leader.

Noting the cultivation of relations of intimacy between the state leaders of the two countries in the joint struggle against the imperialists, he said emphatically that the historic meeting between Comrade Fidel Castro Ruz and Comrade President Kim Il-song has served as an important opportunity to expand and develop relations of friendship and cooperation between the people of the two countries to a higher stage. He referred to Fidel Castro Ruz's assertion at the mass meeting in Pyongyang that Cuba firmly claims that only a single Korea exists and resolutely supports the policy set forth by President Kim Il-song and by the WPK to peacefully reunify the fatherland.



He then said that Comrade Fidel consistently supports the Korean people's cause for the fatherland's reunification and praises the Korean people's heroic struggle.

He said Comrade Fidel Castro Ruz fully supports the proposal for cohosting the Olympics and that he has vowed to propagandize the talent and personality of President Kim Il-song, the great and wise leader.

Premier Kang Song-san spoke next. He said that on behalf of the WPK Central Committee, the DPRK Government, and all the Korean people, he heartily celebrates the 60th birthday of Comrade Fidel Castro Ruz, first secretary of the CPC Central Committee, president of the Council of State, and president of the Council of Ministers. He went on to say that victory in the Cuban revolution and all successes and changes in Cuba cannot be imagined without the energetic leadership of the respected Comrade Fidel Castro Ruz. He said that the 60 years of the respected Comrade Fidel Castro Ruz's life are characterized by devoted service to the anti-imperialist cause of independence, by an unyielding struggle for socialism, by energetic leadership, and by the cause of the country's national liberation and the true happiness of the Cuban people.

He said that upholding the decision of the third plenary meeting of the party under the leadership of the CPC led by Comrade Fidel Castro Ruz, the Cuban people have attained new, innovative success in the struggle to build socialism under slogans calling for production and national defense and to strengthen the country's defense capability. He then said that our people rejoice over this success and wish the Cuban people greater success in their worthwhile future struggle.

He said that our people extend positive support for the militant solidarity with the just struggle of the Cuban party, government, and people to end the occupation of Guantanamo by U.S. forces, to achieve stability with regard to the national territory, and to protect peace and security in the Caribbean Sea and Central America.

Referring to relations of friendship and cooperation between Korea and Cuba, he said that the historic meeting in Pyongyang last spring between Comrade Kim Il-song, the great leader of the people, and Comrade Fidel Castro Ruz, the supreme leader of the Cuban people, was a great event that brightened a most brilliant chapter in the development of relations of friendship and cooperation between the two countries. He then said that just as they did in the past, our people, hand-in-hand with the fraternal Cuban people, will jointly struggle with them to check and thwart the imperialists' maneuvers for aggression and war and to achieve durable peace in the world.

Those attending the reception toasted the militant friendship and unity between the Korean and Cuban people; the long life of Comrade Fidel Castro Ruz, the supreme leader of the Cuban revolution; the long life of the great leader Comrade Kim Il-song; and the long life of the dear leader Comrade Kim Chong-il.

#### NEW JAPANESE GOVERNMENT'S 'MILITARISM' DENOUNCED

SK121152 Pyongyang Domestic Service in Korean 2155 GMT 11 Aug 86

[NODONG SINMUN 12 August commentary: "Along the Track of War"]

[Text] The Japanese authorities reek of militarism when they talk these days. Let us take, for example, Fujio Masayuki, the education minister of the newly formed Japanese Government.



A short time ago, as was reported, the Japanese authorities distorted the Japanese militarists' past aggressive crimes by altering facts in the so-called work of revising high school history textbooks. This invited natural criticism and protests from the Asian people.

However, Fujio, the new education minister of Japan, challenged those who criticized, asking if in their history they had not committed acts similar to those of the Japanese imperialists. Fujio also expressed doubt about the legitimacy of the Far Eastern international military tribunal on major Japanese war criminals held after World War II, objecting to it and asking who gave the right to hold such a tribunal. He haughtily raved that it is time everything was retried.

A few days ago, many lawmakers from the Japanese Liberal Democratic Party [LDP] asked clamorously "What is wrong with the Japanese prime minister and other members of the Cabinet paying homage to the Yasukuni Shrine? It is natural that they should visit the shrine." This is an absurd outburst designed to disregard and justify the vicious aggressive crimes the Japanese imperialists committed against the people of other countries in the past.

It should be noted that such moves are more conspicuous since the advent of the new government headed by Nakasone as prime minister following the elections in Japan last July. This means that the new Nakasone regime is an extreme reactionary regime attempting to thoroughly implement militarism and a militarist expansionist policy, and that the Japanese reactionaries are again attempting to realize the previously failed dream of the Greater East Asian Coprosperity Sphere.

Nakasone himself stated some time ago that he intends to continue the work he began 3 and 1/2 years ago. The work Nakasone began 3 and 1/2 years ago is to accelerate the arms buildup and war preparations designed to carry out the military role given Japan by the United States, such as making the Japanese islands an unsinkable aircraft carrier, defending the 1,000 mile sea traffic route, and blockading the waters, while deeply involving Japan in the U.S. Asian strategy and engaging in the plot to form a triangular military alliance between the United States, Japan, and South Korea.

The remarks by the new education minister and the LDP lawmakers are based on Nakasone's militarist aggressive plan, and the remarks represent their haughty attitude that since the LDP holds a stable majority in the parliament, they have nothing to worry about in accelerating this war line.

The Japanese authorities rave about peace, but in fact, they are pursuing war. They are drastically increasing military spending each year and are bent on building up armaments. Not satisfied with conventional weapons, they are taking great interest in arming themselves with nuclear weapons, and frequently conduct joint military exercises with the United States and the South Korean puppets in such exercises as "Team Spirit" and "Rimpac," in addition to the military exercises of the three services of the Self-Defense Agency. They are also desperately seeking to dispatch their troops overseas, hastening preparations for a military reinvasion of the Korean peninsula.

The facts clearly show the status of the Japanese Government of Nakasone, dashing along the road of war. This is suggested by the fact that a security council, a reorganized body of the former national defense council, has been established in the Japanese cabinet and held its first meeting a few days ago.

We see the Nakasone Government as a very unusual one that has shown itself to be extremely reactionary from the very beginning.

ACCELERATION OF CONSTRUCTION PROJECTS URGED

SK121105 Pyongyang Domestic Service in Korean 2135 GMT 10 Aug 86

[NODONG SINMUN 11 August editorial: "Great Plan, Great Work"]

[Text] Today, all of the country's party members, working people, and KPA soldiers are vigorously accelerating production and construction by upholding the far-reaching economic construction plan of the great leader Comrade Kim Il-song and by being full of new hope and confidence. Great nature-remaking work to build magnificent monumental structures that will last through all eternity and huge construction projects are actively being carried out everywhere in the country on an unprecedented scale.

Today, our people are working in an important period to reach even higher peaks and create even greater miracles and innovations based on successes won in socialist construction. We have built the Nampo lockgate -- considered only an ideal until some years ago -- in a short time and in a miraculous way. Thus, we have opened a bright vista to solve the problem of water for newly reclaimed tideland.

Following construction of the Nampo lockgate, we face the heavy tasks of finishing in a short time tideland reclamation, construction of the Sunchon Vinalon Complex, construction of the Kungangsan power stations, construction of the salt field, construction of the Sariwon calcium fertilizer plant, and other major construction projects strategically important in economic construction. When all these tasks are accomplished, the economic might of the country will be drastically strengthened, the appearance of the country will be altered, and a new change will occur in our people's material and cultural lives. These will be miraculous events never before seen during the thousands of years of our country's history.

The great leader Comrade Kim Il-song has taught: With boundless loyalty to the party and revolution, all party members and working people should perform shining labor feats by turning out as one in the honorable and rewarding battle to build great monumental structures that will last through all eternity.

The tideland reclamation, construction of the Sunchon Vinalon Complex, and other major construction projects are great tasks carried out according to the far-reaching plan of the respected and beloved leader Comrade Kim Il-song. These construction projects are the rewarding tasks of creating treasures for the development of the country and the happiness of the coming generations. When these honorable and rewarding tasks have been accomplished, problems of food, clothing, and shelter will be completely solved in our country.

Our people consider it their lifetime dream to eat rice and meat soup, to wear silk, and to live in tile-roofed houses. Today, as these dreams come true we are carrying out the extensive tideland reclamation project, construction of the 100,000-ton capacity Sunchon Vinalon Complex, construction of the largest hydraulic power plant, the construction of the Sariwon calcium fertilizer plant, and construction of the salt field. This will advance our people's food, clothing, and shelter needs a step further and make them live even more independent and creative lives. This is indeed great work, which will accelerate the complete victory of socialism, and a great task never before seen in history.

When the far-reaching economic construction plan unfolded by the great leader Comrade Kim Il-song is successfully fulfilled, our country will become even richer and stronger and we will proudly pass the prosperous fatherland on to coming generations.

This is indeed work, which will shine through all eternity as the history of our fatherland, and sacred work which will glorify the era of the Workers Party.

Upholding and fulfilling the far-reaching, nature-remaking plan, the likes of which has never before been seen or imagined by anyone, are the source of an honor and pride that can be shared only by the heroic people under the leadership of the great party and leader.

In those early days when he set out on the road of revolution, the great leader Comrade Kim Il-song created the immortal chuche idea and, based on this, illuminated the path and destination for our people in the revolutionary struggle, always setting forth high goals and opening bright vistas. Today, with the firm economic foundation of the country established, the great leader Comrade Kim Il-song, with outstanding wisdom and extraordinarily untiring strength, wisely lead our people along the single road of continued innovation and advance.

Thanks to the great leader Comrade Kim Il-song, our people were able to complete the democratic revolution to effect social and economic changes in a breath and actively accelerate socialist construction by finishing the socialist reworking in a short time. At the same time, after entering the eighties following the seventies, they have highly displayed miracles and feats that have amazed the people of the world. The world-famous No. 3 Komdok ore dressing plant was built in just one year by our own effort and technology. Meanwhile, the Nampo lockgate was built in just five years, thus creating a heroic epic of the eighties. All of these were the result of the wise organizational work and leadership of the great leader Comrade Kim Il-song and our party.

The great plan and bold operation which the respected and beloved leader Comrade Kim Il-song has unfolded again this time are opening even brighter vistas for our revolution and giving great confidence and courage to our people.

To brilliantly implement the great plan and great work unfolded by the respected and beloved leader Comrade Kim Il-song, our party is carrying out bold operations and wisely leading our people with shining wisdom and revolutionary courage.

The great plan and great work unfolded by the respected and beloved leader Comrade Kim Il-song will be brilliantly fulfilled and accomplished, because of our party's lofty intent to remake nature and society and improve the people's standard of living according to the demand of the chuche idea and because of our party's wise leadership, which advances our revolution and construction to continued innovation and upsurges.

Victory is certain. With confidence in victory, we should vigorously advance with the speed of Chollima waging the speed battle according to the magnificent blueprint of the economic construction unfolded by the party and the leader. By so doing, we should open a new history of great upsurges in the socialist construction of our country.

The great plan unfolded by the respected and beloved leader will become a shining reality because of the party's wise leadership, the endless might of our people and the people's army that have firmly united around the party, and the firm foundation of the self-reliant economy.

The experience gained in building the Nampo lockgate over a short period of time is a precious asset to accelerate this great work victoriously.



With ardent loyalty to the party and the leader, all construction workers should possess new confidence and fully display mass heroism at all construction sites.

The great leader Comrade Kim Il-song has given to the soldiers of the People's Army huge construction projects for the happiness of our people and the coming generations. Participating in major construction projects carried out according to the far-reaching plan of the party and the leader and devoting oneself to completing those projects are the most honorable and rewarding tasks of the youths of our era.

Loyalty to the party and leader is manifest when one carries out the orders and directives given by the party and leader in a timely and responsible manner. The exploits registered by the builders of the Nampo lockgate shine so brilliantly because they made the orders and directives given by the party and the leader their absolute objective of struggle and unconditionally carried them out, overcoming all difficulties and demonstrating mass courage.

The KPA soldiers who have participated in major construction projects should accelerate construction, highly demonstrating willingness to devote and sacrifice themselves and mass courage befitting the ranks of loyalty that have inherited the revolutionary spirit of Mt Paektu, demonstrating once again the might of the party's army, the heroic KPA.

Carrying out all work boldly is our party's consistent principle of developing work. In every project goals should be set high to make the work highly rewarding and to bring about innovation. Guiding functionaries and builders who have participated in construction should set lofty targets, undertake work on a large scale, and effect continuous innovation and leap forward with stubborn struggle at all battle sites.

Success in major construction projects is made greater when it is supported by science and technology. All functionaries and technicians should be deeply aware of the major emphasis placed by our party on the development of science and technology, and should create new miracles and exploits at all construction sites by vigorously waging a mass movement for technological innovation, controlling all processes of construction scientifically and technologically and inventing and introducing new engineering methods.

The entire party membership, the entire country, and all people should work hard to vigorously support major construction projects. The purpose of building major facilities is to make the country rich, strong, and prosperous and to make our people happy; this is work for the people themselves. Therefore, everyone has the obligation to support this construction wholeheartedly. All functionaries and workers should vigorously support major construction projects with material and labor, and relevant sectors should wage a vigorous battle to produce and supply facilities and materials necessary for construction in a timely manner. Party organizations at all levels should make party members and workers thoroughly aware of the significance and importance of major construction projects, especially that this is important work which realizes the great plan of the respected and beloved leader Comrade Kim Il-song, so that they work hard with high loyalty.

Party organizations in provincial areas where major construction projects are being undertaken especially should plan, supervise, and press ahead with this construction as their first task so all provinces can be brisk in supporting the work.

Intensifying support work for construction undertaken by KPA builders is especially important.



Even under circumstances in which the enemy's new war provocation maneuvers are being accelerated, the KPA plays an important role in socialist construction. Party organizations at all levels and their functionaries should pay deep attention to providing the necessary living conditions and working conditions for KPA soldiers so their struggle zeal can be increased even more.

An important key to victory in realizing the grand plan of the great leader Comrade Kim Il-song, who has initiated the large-scale construction operation, is political and ideological might. Our people's political and ideological might is manifest when they consider realizing the plan of the great party and the leader their greatest honor and devote themselves to its implementation. Major construction projects should lay down all their wisdom and energy with a sense of honor and pride that they are undertaking great work for the country and nation, upholding the grand plan of the respected and beloved leader Comrade Kim Il-song.

The construction projects and construction tasks to be carried out by the builders are very responsible work to defend and protect the dignity of our party and the leader, who have never failed to do what they have committed themselves to do. The KPA soldiers and builders who have participated in the major construction projects, such as the tideland reclamation sites, salt ponds, power plants, the Sunchon Vinalon Complex, and the Sariwon calcium fertilizer plant should show in practice, with high success in construction, how the revolutionary fighters should defend and protect the party and leader.

All the soldiers and builders should learn from and thoroughly implement the struggle spirit of the Nampo lockgate builders. The struggle spirit demonstrated in building the Nampo lockgate is the spirit of Korea and the brave spirit of our people, who carry out the speed battle with the chollima spirit. If we work with the spirit and method of struggle of the Nampo lockgate builders, we will overcome any difficulties connected with tideland reclamation and any vast and difficult construction. Our functionaries and builders should apply the faith and courage we had in building the Nampo lockgate to major construction projects.

The determining factor in being victorious in today's great work is to uphold the party's leadership with loyalty. The dear Comrade Kim Chong-il leads the entire party membership, all the people, and all the KPA soldiers along the single road of victory for the victory of the grand construction work initiated by the great leader Comrade Kim Il-song. All soldier builders and workers should uphold the party's leadership and think and act according to the party's ideology and will, and should devote themselves to the struggle, sacrificing everything on the road led by the glorious party center. All victory can be realized by the unity and cohesion of the people firmly united around our party.

By creating a new miracle, continuously effecting innovation at all battle sites of major construction projects, we should demonstrate once again the indestructible might of the people and the army, firmly rallying around the party and the leader as we did in building the Nampo lockgate.

#### BASIC PRINCIPLES FOR BUILDING WORKING-CLASS PARTY

SK091048 Pyongyang KCNA in English 1035 GMT 9 Aug 86

[Text] Pyongyang August 9 (KCNA) -- NODONG SINMUN today carries a signed article titled "Basic Principles of Building Revolutionary Party", which says in part:

The idea and theory on the revolutionary principles of building a working class party propounded by the respected leader President Kim Il-song are consummated in an all-around way in his classic work "Historical Experience of Building the Workers' Party of Korea". In his work President Kim Il-song expounded that the basic principles maintained by our party in the party building are, firstly, to establish a monolithic ideological system within the party, secondly, to make the party be a harmonious whole with the masses and, thirdly, to ensure inheritance in the party building.

The principles of building a chuche-oriented party propounded by President Kim Il-song are the most scientific ones that fully accord with the nature and historical mission of the working class party. In its nature, the working class party is a party which is organized and led on the basis of the revolutionary idea of the leader, different from other political parties, and a party which struggles to carry to completion the revolutionary cause started by the leader.

In its socio-class foundation, too, this party, unlike other political parties, consists of advanced elements selected from among broad working masses led by the working class and sets it as its essential demand to struggle for the realization of the chajusong of the popular masses. The mission of the working class party is to build a communist society and completely realize the chajusong of the popular masses. Such historical mission cannot be discharged in a day or two but can be carried out generation after generation.

This eloquently shows that the working class party must establish a monolithic ideological system within itself, increase its militant capacity in every way by closely uniting the popular masses, and firmly guarantee the inheritance in the party building.

Our party has held fast to the principles of building the chuche-oriented party and applied them in an overall way and thereby brilliantly solved difficult problems arising in the party building, such as imbuing the whole party with one ideology, closely uniting broad masses around the party and inheriting the monolithic nature of idea and leadership and built a party of a new type, an invincible party of chuche.

The basic principles of building a chuche-oriented party have today become a solid foundation of the dignity of our party and its might. In the course of applying these principles, our party has strengthened and developed to be a solid, mighty and indestructible party organizationally and ideologically and a promising party with an endlessly bright future.

#### CHUCHE IDEA BASIS OF PARTY BUILDING, ACTIVITY

SK120822 Pyongyang Domestic Service in Korean 2135 GMT 9 Aug 86

[NODONG SINMUN 10 August special article: "The Chuche Idea Is the Starting Point of Party Building and Activity"]

[Text] The WPK is a new type of revolutionary party, a chuche party, built and activated with the great chuche idea as its guiding ideology.

In his classic work, "The Historical Experience in Building the WPK," the great leader Comrade Kim Il-song analyzed the character of our party as the revolutionary party of chuche and extensively elucidated the position and role of the guiding ideology in party building and activities.

The party's guiding ideology is the fundamental problem in the building and activities of the party of the working class, because the character and mission of the party are emphatically defined by its guiding ideology. Only when the party of the working class conducts party building and activities with a correct guiding ideology can it firmly safeguard its character and smoothly carry out its duty and mission as a political organization struggling to achieve the interests of the masses of working people, including the working class.

The party's guiding ideology is the guiding principle governing party building and activities. Our party, the party of chuche, has made it a firm principle to conduct party building and activities with the chuche idea as its guiding principle and based on the chuche idea. Herein lies the position and role of the chuche idea in the building and activities of our party.

In his classic work, the respected and beloved leader clearly elucidated that the position and role of the chuche idea as the guiding ideology of our party lies precisely in the fact that this idea is the starting point for the building and activities of our party. This is a new elucidation of the significance and role of the guiding ideology in implementing the cause of building the party.

The great leader Comrade Kim Il-song has taught: The chuche idea is the starting point in the building and activities of our party. The chuche idea, being the starting point in the building and activities of our party, means that our party builds its ranks and carries out its revolutionary activities proceeding from the chuche idea.

For our party -- in the whole course of building, strengthening, and developing the party and its activities and in the present and future stages of party building and activities -- the work of building the party and its activities thoroughly proceeds from the chuche idea and is unswerving in the chuche idea. Proceeding from the chuche idea, our party attaches importance to man in party building and activities and does everything to enhance the position and role of the masses of people.

The chuche idea is a man-oriented revolutionary outlook on the world based on the philosophic principle that man is the master of and decides everything. Proceeding from this, our party -- which has taken the chuche idea as its guiding principle -- has always placed importance on man and has worked in every way to enhance his position and role.

Valuing man and doing everything to enhance the position and role of the masses is an essential requirement in building the revolutionary party and its activities.

A party is a political organization where men are rallied. The party of the working class is the vanguard unit organized with advanced elements of the masses of people, including the working class. Its mission is to completely achieve independence for the masses of working people. Therefore, revolutionary party building and activities should be thoroughly conducted with the emphasis on man and should be directed toward enhancing the position and role of the masses of people, the masters of history and those in charge of the revolution. This has become a more urgent problem in our times today in which the broad segments of working masses have appeared in the arena of history and are pioneering their destinies independently and creatively.



Viewing man as the basis in party building and activities makes it possible to not only view all problems arising in advancing the cause of building the party and accelerating the revolution and construction under the leadership of the party with man placed at the center, but also to resolve these problems through work with the masses.

Based on these viewpoints and principles, our party has constantly strengthened ranks organizationally and ideologically and has organized and developed all work to successfully lead the revolution and construction. Thus, our party has vigorously pushed ahead with the revolutionary struggle and construction by indoctrinating and rallying party members and working people in a revolutionary manner and by inciting their revolutionary zeal and creative positiveness.

Our party, which has defined the *chuche* idea as the starting point of party building and activity, has concentrated preferential efforts on fostering the masses into independent and creative masses, while prescribing the work with men as the basis of party work. As elucidated in the classic work of the great leader, the work with men is the work to lead men to voluntarily participate in the revolutionary struggle and construction by indoctrinating and rallying them organizationally and in a revolutionary manner.

For the party as the political indoctrinator and organizer of the masses to indoctrinate and rally men in conformity with the independent rights and interests of the masses and then lead them to participate in the revolutionary struggle with lofty zeal, it should firmly grasp the work with men as the basis of its activities.

The entire course traversed by our party has been embroidered with the history of such party building and activity. All policies and struggles to consolidate the party ranks organizationally and ideologically -- including the work to establish the unitary ideological system within the party; to firmly strengthen cadre ranks; and to make the party ranks elite are clear proof that our party has done everything to enhance the position and role of the masses, while treating men as the basis for party building. Such efforts by our party have also found expression in leading the revolution and construction toward a constant upsurge by enhancing the position and role of the masses of working people and by mobilizing them.

Our party has carried out many stages of social revolution, and thus has brilliantly achieved the historic cause of socialist industrialization. All of these successes registered in our country in socialist construction clearly prove that our party is waging its party building and activity with the *chuche* idea as its guiding ideology.

Our party has done everything to enhance the position and role of the masses, while treating men as the basis. Using this principle, our party has carried out party building and activity. As a result, our party has changed its appearance as the revolutionary party of *chuche*.

Proceeding from the *chuche* idea, our party has also firmly adhered to the independent and creative stand. Adhering to the independent and creative stand constitutes the demand of the *chuche* idea. Therefore, it has become an immutable rule for our party, which has taken the *chuche* idea as its guiding ideology, to adhere to the independent and creative stand in party building and activity.

Only when the party firmly adheres to the independent and creative stand can it not only smoothly perform its mission and duty as the political leadership organ struggling against all manner of domination and subjugation and realize the independence of the masses, but also be strengthened and developed into an invincible revolutionary party.



Our party has taken the chuche idea as its firm guiding principle and has firmly adhered to the independent and creative stand in all fields of party building and activity. Our party has pioneered its independent road in building the revolutionary party by proceeding from the chuche idea and by adhering to the independent and creative stand.

Based on his deep analysis of the inherent demands of the communist movement and the serious weak point found during the early period of the communist movement in our country, the great leader Comrade Kim Il-song presented a revolutionary party building policy to establish the organizational and ideological foundation to found the party by fostering the communists of new generations in such a way as to build the party independently, building party foundation organizations first, and then expanding and strengthening them. He then brilliantly carried out the revolutionary party building policy during the period of the anti-Japanese armed struggle. Proceeding from the situation created in our country immediately following national liberation in 1945 and the aspirations of the masses at that time, the great leader declared the founding of our party in a timely manner and then strengthened and developed the party into the party of the masses.

All lines and policies embodied since the historic roots of the party were provided under the banner of the Down-With-Imperialism Union to the present -- as the cause of imbuing society with the chuche idea has been realized -- have been based on the independent and creative stand.

In its party building, our party has not only firmly adhered to the independent and creative stand, but has also thoroughly conducted its activity independently and creatively. Our party has set all lines and policies based on its own faith and judgment and in conformity with the specific situation of our country and has carried out these lines and policies with our people's own strength and efforts. This has become the firm principle of our party.

Acting under the influence of others or resorting to others is counter to the activities of our party. Thus, our party has thoroughly emphasized the principle of the chuche idea and has adhered to the independent and creative stand in its activities. This is why our revolution and construction have been able to vigorously take a long drive and take advantage of victory along a straight road without the slightest degree of inclination or difficulty.

By firmly adhering to the independent and creative stand in its activities, our party is today enjoying the high dignity and honor of a great party with strong independence and creativity. By continuously taking the chuche idea as its guiding principle in the future as well, and by conducting its activities under the principle of the chuche idea, our party will glorify its honor as the revolutionary party of chuche eternally.

#### KPA SOLDIERS' CONSTRUCTION WORK PRAISED

SK111001 Pyongyang Domestic Service in Korean 2200 GMT 8 Aug 86

[Text] This report is from major construction sites where the drum of revolution is resounding.

Our soldier builders who have turned out at the great enormous construction sites to uphold the magnificent economic construction plans of the great leader and the party are creating miracles and exploits each day in building everlasting monuments by demonstrating the spirit of making 1-a-match-for-100 and by demonstrating wisdom in socialist economic construction.

Our soldier builders, overflowing with vigor and spirit to again display the might of chuche Korea, are vigorously accelerating the construction of plants and facilities in all areas including the site of land reclamation on the west coast where creations and innovations are being effected, the Suncheon Vinalon Complex construction site, the site of the Kungangsan Power Plant where the largest-scale hydraulic power plant is being built, and construction sites of the calcium fertilizer plant and the salt ponds.

The soldier builders of Comrade Kim Mun-son's unit, who rose in the land reclamation work on the west coast, completed in a short time construction of a road approximately 1,400 meters long, an aggregate sorting facility, and a stone quarry which can produce approximately 12,000 cubic-meters of stones and rocks daily by loudly beating the drum of revolution. Thus, they made a breakthrough, expediting overall construction by successfully carrying out the first blasting work.

The soldier builders in these areas working with the spirit of absoluteness and unconditionality for the order and directives of the party are building an embankment several-score kilometers long across the rough sea.

Comrade Hwang Chol-yong of this unit said: [begin Hwang recording] We are faced with the grave and glorious task of accelerating construction of the (?bank). We will vigorously accelerate reclamation work with the spirit of making what is not available and [word indistinct] by highly demonstrating the revolutionary spirit. [end recording]

The soldier builders engaged in land reclamation work in Onchon, Kwangyangjin, and (Nomjolap) have been in high spirits from the beginning of the reclamation work, fighting against the rough waves of the sea with the spirit to unconditionally fulfill what is wanted by the party.

The labor exploits of soldier builders who are glorifying the 1980's with a sense of devotion to the fatherland and to the people are also displayed at the construction site of the Suncheon Vinalon Complex -- a great vinalon construction site.

Comrade Yi Yun-pong, reporter of the South Pyongan Provincial Broadcasting Committee, sent the following report from the spot: [begin recording] This is the construction site of the Suncheon Vinalon Complex. The KPA soldier builders who in building the Suncheon Vinalon Complex rose to realize the great leader's magnificent plan are implementing the assigned construction projects without fail with the tenacious spirit of making 1-a-match-for-100.

The soldier builders of the KPA unit to which Comrade Kim Chang-hwan belongs who are engaged in sewer construction along the processing line of (?chemical inspection) and methanol and gasoline are advancing the excavating work as planned by overcoming all difficulties with the indomitable courage and will fostered by the party and by effecting upsurges in the speed battle. In particular, Comrades Kim Chong-chol, Hong Chang-ui, and Kim Song-hak have overfulfilled daily excavation work by 150 to 160 percent by setting lofty targets and energetically accelerating the work.

The soldier builders of the KPA unit to which Comrade Yu Pyong-chon belongs, who rose in the basic construction work of a thread spinning workshop, are effecting continuous innovations while fully displaying the Paektu revolutionary spirit and the revolutionary spirit of self-reliance and arduous struggle.

In particular, the fighters, including [word indistinct], are overfulfilling the daily basic excavation work and concrete work by more than 1.9 times while overcoming all difficulties by their own strength and launching a fierce offensive battle. [end recording]

The soldier builders of the unit to which Comrade Yi Tae-yun belongs and of the unit to which Comrade Kim Yong-sam belongs are daily creating new standards and new records in building the No. 1 drain at the No. 2 fuel processing base and in building roads and drains in the carbide area, following the indomitable spirit of struggle of Comrade O Chung-uk, an anti-Japanese revolutionary fighter, with resolute loyalty to implement the orders and directives of the party and the leader without wasting even a minute or second.

The soldier builders in the unit of Comrade Kim Paek-kil, who rushed to the construction site of the calium fertilizer plant, undertook preparatory construction as soon as they arrived on the spot cherishing a loftier resolution to display the spirit of making 1-a-match-for-100 in the rewarding struggle to implement the magnificent economic construction plans of the great leader and our party.

The North Hwanghae Broadcasting Committee sent a report about their struggle as follows: [begin recording] This is the North Hwanghae Broadcasting Committee. The soldier builders and functionaries in the facility engineering sector who rushed to build the calium fertilizer plant with the passion of loyalty to implement the great leader Comrade Kim Il-song's magnificent plan and the party's idea have risen in a struggle to successfully and quickly complete construction of the permanent plant.

Functionaries of designing and engineering sectors are vigorously waging a struggle to give priority to designing and engineering the large-scale calium fertilizer plant. The soldier builders began the construction of buildings, including their quarters, overflowing with confidence to excellently complete construction of the calium fertilizer plant in the shortest possible time. They are vigorously accelerating their work, being wet with the perspiration of loyalty. [end recording]

Meanwhile, the builders of the North Hwanghae Province, warmly greeting with fraternity the soldier builders who rushed to the construction site, are helping them with all sincerity. The fine traditional custom of unity between the army and the people has been displayed for more than a month since they arrived in North Hwanghae Province. They transported various equipment and instruments required for the construction work and other support materials, including daily necessities, to the construction spot, thus raising the morale of the builders.

The soldier builders who arrived at the construction site of the Kungangsan Power Plant amid great expectations and interest from the people throughout the country are speedily advancing preparatory construction. Setting the combat target to build the largest power plant in our own way with wisdom and courage fostered by the party, the soldier builders have fully displayed the might of making 1-a-match-for-100 from the first day of preparatory construction. Thus, living facilities have been excellently built and the construction of temporary objects, including roads and warehouses of materials, are being vigorously pushed ahead.

The revolutionary spirit of the speed battle is being highly displayed at the salt ponds construction site.



The soldier builders here are vigorously pushing ahead with preparatory work to accelerate full-scale construction, fully realizing the significance and importance of building salt ponds that will actively contribute to further strengthening the nation's economic might and promoting the people's living standards. Thus, they completed construction of an approximately 10-kilometer road and temporary buildings in a short time. Each day they register new innovations in the struggle to build salt ponds, cherishing the lofty pride and sense of responsibility for dedicating their youth to the sacred struggle to defend the fatherland and increase the nation's wealth.

Meanwhile, the workers in Ongjin County are making and supplying the daily necessities and equipment and instruments to the soldier builders who rose in the construction of salt ponds so they would not have any inconvenience in their lives.



FOREIGN MINISTER LEAVES FOR SFRY, ROMANIA 7 AUG

BK070902 Rangoon Domestic Service in Burmese 0630 GMT 7 Aug 86

[Text] Foreign Minister U Ye Gaung and members of his delegation left by air at 0745 this morning to join Prime Minister U Maung Maung Kha who is to pay official visits to the Socialist Federal Republic of Yugoslavia at the invitation of Mr Branko Mikulic, president of the Federal Executive Council of the SFRY, and to the Socialist Republic of Romania at the invitation of Mr Constantin Dascalescu, prime minister of Romania.

Foreign Minister U Ye Gaung and his delegation were seen off at Rangoon airport by Thura U Tun Tin, acting prime minister and deputy prime minister; Thura U Kyaw Htin, deputy prime minister; U Sein Tun, minister of energy; Thura U Saw Pru, minister of transport; U Tint Swe, minister of industry-I; U Min Gaung, minister of home and religious affairs; U Maung Cho, minister of industry-II; U Saw Hlaing, deputy foreign minister; responsible officials; Mr Afzal Mahmud, Pakistani ambassador to Burma and dean of the diplomatic corps in Burma; Mr Thongchan Chotikasathian, Thai Ambassador to Burma; Mr Nicholas M. Fenn, British ambassador to Burma; Mr Yves Rodrigues, French Ambassador to Burma; Mr Walther Von Marschall, FRG ambassador to Burma; Mr (Mijodrad Nikolin), Yugoslav embassy charge d'affaires ad interim; Mr (Marios Fedin), charge d'affaires ad interim of the Romanian Embassy; and Mr (Lin Chan Yeow), Charge d'affaires ad interim of the Singapore Embassy.

Foreign Minister U Ye Gaung is accompanied by U Khin Maung Maung, deputy minister of industry-I; Quartermaster General Brigadier General Phone Myint from the Defense Ministry; U Soe Thwin, director general of the Foreign Economic Relations Department; U Thaung, director general of the Department of Geological Survey and Mineral Exploration; U Yu Sein, managing director of the Mining Corporation-I; U Ko, deputy director general of the minister's office; and responsible officials from the Foreign Ministry.

Prime Minister U Maung Maung Kha, accompanied by Foreign Minister U Ye Gaung and members of his delegation, will soon proceed from London to pay official visits to the SFRY and Romania.

KAREN LEADER DISAVOWS PACT WITH COMMUNISTS

BK071054 Hong Kong AFP in English 1031 GMT 7 Aug 86

[By Francis Deron]

[Text] Manerplaw, Burma, Aug 7 (AFP) -- Bo Mya, the leader of Burma's ethnic insurgents, has denied the existence of an alliance between his group and the rebel Burma Communist Party (BCP) against General Ne Win's government in Rangoon, saying such a pact was "unacceptable" to the country's minorities.

The leader of the Karen community and of the rebel National Democratic Front (NDF) was interviewed at his headquarters in this jungle encampment near the Thai border, where the NDF leadership is holding an "emergency meeting" since Monday to repudiate the alliance the BCP claims has already been made.

The non-Burmese minorities in this country together account for 60 percent of the popular of 37 million, and the NDF, besides the Christian-led, staunchly anti-communist Karens, includes eight other groups seeking self-determination for the minorities.

The outlawed BCP had said last April that a joint declaration was signed with the NDF for military cooperation against government forces. But in rejecting the agreement, Mr Bo Mya said: "The Burma Communist Party is upholding the same policy of Burmese chauvinism as the government" in Rangoon. "Today there is no fighting between us," he said of the communists. "But one day, we will have to fight them."

With an estimated 12,000 fighters, the BCP is numerically the largest of the rebel groups fighting the government, and an alliance between it and NDF forces could put Rangoon in a delicate military position.

A statement by the BCP's clandestine radio said the communists and the NDF had agreed to act jointly to overthrow the one-party regime set up by Gen Ne Win after a 1962 coup, and to replace it with a multi-party system. But, Mr Bo Mya said, such an alliance was "not legal" because the NDF delegation that signed the pact on March 24 at the BCP headquarters in Panghsang, near the Chinese border, did not have a mandate to hold talks. The negotiations had taken place at initiative of the BCP. Khaing Myo Min, a leader of an insurgent group in western Arakan state who signed the March entente for the NDF, refused to comment before the end of the emergency meeting here, expected to last several weeks.

Mr Bo Mya acknowledged, however, that the communist initiative had created an "important political problem" for the united ethnic rebels. "Some of them, very few, will support the statement, but as a matter of fact we have the opinion that all the members here don't understand clearly the fundamental principles of the NDF," he said. "According to our experience, the Karen revolution and the BCP have always been against each other ideologically," the rebel leader added.

Ba Thin, prime minister of the self-proclaimed Karen government, recalled that a united front of two rebel groups in 1956-57 fell apart after armed clashes between the two groups, adding: "We do not wish to repeat the same mistake."

Mr Bo Mya said he would not oppose an "understanding to face the common enemy" between NDF forces operating in zones neighboring BCP-held areas, on condition that such agreements be "without any political commitment." The Kachin ethnic group, which also belongs to the NDF, already has such an arrangement with the BCP, and Mr Bo Mya said similar pacts could be dictated by geographical necessity.

The BCP has recognized the ethnic rebels as "revolutionary and just," a sign generally seen as suggesting a marked shift for the BCP, whose leadership remains strongly Maoist. China recently ended the military and moral backing it provided to the BCP.

The Karens, who have a regular army of about 4,000 men, have been under intense pressure for three years from government forces which have pursued them to the Thai frontier.

#### KMT, BCP, WNA JOIN IN BATTLE TO CONTROL DRUG TRADE

BK110155 Bangkok THE NATION in English 11 Aug 86 p 3

[Text] Guerrilla fighters of three outlawed Burmese groups have combined with the militia of the former Chinese Kuomintang (KMT) to battle the forces of notorious narcotics warlord, Khun Sa, for control of an opium-producing area along the Burmese frontier with northern Thailand.

Informed sources said elements of the Burma Communist Party (BCP), the Wa National Army (WNA) and the armed Muser hill tribe group of A-bi had agreed to join the ex-KMT to fight Khun Sa's Shan United Army (SUA) along the Burmese side of the mountainous border in the area stretching from opposite the Fang District of Chiang Mai to the provincial boundary with Chiang Rai.

They said the SUA, the strongest among the warring forces, are fighting with the four groups over the huge opium plantations and heroin refineries in the area. The four anti-Khun Sa groups, said the sources, are currently attempting to expand their influence into opium plantations in the SUA-controlled area. They have met stiff resistance from Khun Sa's fighters.

According to the sources, guerrillas opposed to Khun Sa recently advanced from their border strongholds opposite Fang to a mountain range opposite Mae Ai District further north. They said the SUA guerrillas lost about 10 of their forward outposts, following a series of attacks aimed at penetrating Khun Sa's stronghold of Doi Lang on the mountainous terrain opposite Mae Ai. The fighting has been raging sporadically in the area. But details of casualties are not known.

According to the sources, the KMT fighters are former members of the Kuomintang Third Army while the Wa guerrillas belong to a pro-KMT faction in the WNA.

The participation of the BCP insurgents stemmed from their desire to share some benefits gained from narcotics trade in the area. Since China has cut down her arms and moral support to the BCP, the Burmese Communist insurgents have been seeking other sources of income, including drug trafficking, to finance their movement, said the sources.

The source said the armed-Muser hill tribesmen engaged in the campaign are remnants of the A-bi group which was earlier dissolved by an SUA offensive.



HUN SEN CONDOLES SRV'S PHAM VAN DONG ON FLOODING

BK120647 Phnom Penh Domestic Service in Cambodian 1300 GMT 11 Aug 86

[Text] Recently, Comrade Hun Sen, chairman of the PRK Council of Ministers, sent a condolence message to Comrade Pham Van Dong, president of the SRV Council of Ministers. The message says in substance:

I am very distressed to have received the sad news that on 22 July storms and rains over Haiphong and Lang Son have caused serious damage to people's property, dry season rice, salt marshes, thousands of meters of dikes, and particularly the loss of many lives.

On behalf of the people and the PRK Council of Ministers and in my own name, I would like to express condolences to the fraternal Vietnamese people and the SRV Government, and through you to the families of victims. We are firmly convinced that under the astute leadership of the SRV Government, the fraternal Vietnamese people will overcome this savage destruction and difficulty to quickly normalize the people's life.

PRK'S CHEA SIM TO VISIT USSR, POLAND, GDR

BK140504 Phnom Penh Domestic Service in Cambodian 0430 GMT 14 Aug 86

[Text] At the invitation of the USSR Supreme Soviet, the National Assembly of Poland, and the People's Chamber of the GDR, a delegation of the PRK National Assembly led by Comrade Chea Sim, member of the KPRP Central Committee Political Bureau, chairman of the National Assembly, and chairman of the KUFNCD National Council, will pay official friendship visits to the above three friendly countries in the near future.

CHEA SIM ATTENDS TRADE UNION MEETING CLOSING

BK090406 Phnom Penh Domestic Service in Cambodian 1300 GMT 8 Aug 86

[Text] The Kampuchean Federation of Trade Unions' first committee successfully ended its fifth session after working for 3 days at its office.

During the 3-day session, all participants enthusiastically discussed the strengths and weaknesses of work during the 1st half of 1986 and unanimously agreed on all the targets proposed by the committee for more effective future implementation. The participants also paid attention to the work to stimulate workers and personnel to build the family-run economy, which is significant economic grouping for improved livelihood.

Speaking on that occasion, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and KUFNCD National Council, hailed workers and personnel throughout the country for their achievements, industriousness, and sense of thrift and creative ingenuity in implementing their tasks satisfactorily. Comrade Chea Sim also exhorted all participants to disseminate all the good experiences from all the targets set by the committee among their local colleagues to advance toward greater feats in carrying out the national defense and construction tasks.

BOU THANG ATTENDS UDONG DRY-SEASON MEETING

BK030356 Phnom Penh Domestic Service in Cambodian 1300 GMT 2 Aug 86

[Text] A meeting was held recently at the People's Revolutionary Committee office of Udong District, Kompong Speu Province, to sum up results of the 1985-86 dry-season campaign. For 2 days, members of the meeting attentively heard reports presented by various communes that wholeheartedly and actively took part in accelerating the revolutionary movement and were successful in ensuring security, safety, and social order. The reports also stressed the high sense of sacrifice displayed by the authorities and population in cooperatin with the Armed Forces in flushing out, destroying, and arresting bandits and enemy informants; in ensuring defense for the villages, communes, and district; and in persuading many misled persons to return to the fold.

On this occasion, Comrade Bou Thang, member of the KPRP Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense highly appreciated the achievements and results of Udong District in national defense and reconstruction, particularly in attacking the enemy, by maintaining mastery both in smashing enemy forces and preventing bandits from conducting sabotage activities in the localities. He also urged the attendeese to heighten their revolutionary vigilance, accelerate efforts to build genuine revolutionary forces, and learn to enhance their political grasp and implement with high efficiency the task of restoring and developing the national economy.

BOU THANG ADDRESSES CADRE TRAINING COURSE

BK121730 Phnom Penh Domestic Service in Cambodian 0430 GMT 12 Aug 86

[Text] A training course for cadres from regional armed forces was opened on the morning of 11 August at the higher cadres school under the chairmanship of Comrade Bou Thang, member of the party Central Committee Political Bureau, vice chairman of the Council of Ministers, and minister of national defense. Speaking on that occasion, Comrade Bou Thang hailed the great feats and victories won by our KPRAF throughout the country in their fight against the enemies. The comrade added that through their struggle against the enemies our Armed Forces have developed continuously in terms of quantity, quality, and combat capabilities, thus contributing to the firm defense and construction of our fatherland. He also exhorted all cadres and combatants to study hard, exchange good experiences abide by the school's discipline and regulations, and unite closely. He also wished them success in the training course.

KHIEU SAMPHAN CONGRATULATES THAILAND'S SITHI

BK140453 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 13 Aug 86

[12 August message from DK Vice President Kheu Samphan to Thai Foreign Minister Sitthi on Appointment as Foreign Minister]

[Text] To His Excellency Sitthi Sawetsila, foreign minister of the Kingdom of Thailand, Bangkok:

Your Excellency, I have received with great happiness the news that you have been reappointed to the high post of foreign minister of the royal Thai Government under the great leadership of His Excellency General Prem Tinsulanon, prime minister.

On this auspicious occasion, on behalf of the Cambodian People, the CGDK, and in my own name, I have the honor of expressing to you warmest congratulations and best wishes for your good health, happiness, and success in your lofty mission. Your reappointment is a brilliant proof of your goodness as an outstanding leader who has made precious contributions to major achievements and successes of the royal Thai Government and the Thai people in every field, particularly in national defense and in foreign affairs.

On this fine occasion, I would also like to recall a Cambodian proverb which says that a friend in need is a friend indeed. This is a deep and profound sentiment that the Cambodian people will always nurture with regard to the royal Thai Government and the Thai people, who have supported and assisted the Cambodian people in times of need by resolutely and unswervingly standing right from the beginning on the side of the just case of national liberation and survival of the Cambodian race, of the Cambodian people, and the CGDK against the Hanoi Vietnamese aggressors. More recently, the Kingdom of Thailand, in cooperation with other ASEAN members, was among the first friendly countries to proclaim its support for the CGDK's 8-point proposal to resolve the Cambodian issue politically. We will always remember these noble and precious deeds of the royal Thai Government and the fraternal Thai people.

On behalf of the Cambodian people, the CGDK, and in my own name, I would like to express, once again, with moving sentiments most profound gratitude to you, and through you, to the royal Thai Government and the Thai people. On the same occasion, I would also like to reaffirm to your excellency that the Cambodian people and the CGDK will continue to do their utmost to nurture and strengthen the relations of friendship and fine cooperation which bind our two countries and people.

It is with this firm conviction that I would like to ask you to accept my highest consideration.

[Dated] Democratic Kampuchea, 12 August 1986

[Signed] Khieu Samphan, vice president of Democratic Kampuchea in charge of foreign affairs.



KAYSONE PHOMVIHAN CONGRATULATES THAI PREMIER

BK120602 Vientiane Domestic Service in Lao 0000 GMT 12 Aug 86

["Text" of "recent" congratulatory message from Kaysone Phomvihan, chairman of the LPDR Council of Ministers, to General Prem Tinsulanon, prime minister of the Kingdom of Thailand]

[Text] I have the honor to express sincere congratulations to Your Excellency on your reappointment as prime minister of Thailand. I hold that it is now appropriate for the governments of our two countries to try to improve the neighboring and fraternal relations in all respects in order to meet the legitimate aspirations of the Lao and Thai peoples and for peace and stability in this region and the world. I wish your excellency good health and happiness.

THAILAND USES 'TRICKS' TO HANDLE FOREIGN DEBT

BK111342 Vientiane Domestic Service in Lao 0530 GMT 11 Aug 86

[Talk: "Thailand's New Method of Handling Foreign Debts"]

[Text] Radio Australia reported on the morning of 2 August that the World Bank demanded that Thailand pursue a policy of restricting foreign debts because Thailand's foreign debts have reached some \$16 billion dollars so far -- an increase of \$2 billion compared to the previous year.

Immediately after receiving such bad news, the Thai leading circles declared a new policy saying that the Thai ruling circles have adopted a policy to try to reduce the ratio of foreign debts to an estimated 9 percent of the total value of goods and services exported by the year 1989. At present, the ratio of foreign debts is 10.5 percent of the total value of export goods and services. This statement may more or less create hope for the Thai people, for at present they are not only living a poverty-stricken life, but also shouldering foreign debts for the government at the rate of at least 15,000 baht per person.

Nevertheless, the hope entertained by the Thai people may become a pipe dream as it has in the past because the current Thai ruling circles have rarely kept their word. They always say one thing while doing another. For example, the Thai side has repeatedly said that it wants to develop good relations with Laos. But in reality, it has done the contrary. The cause of the current stalemate in the Thai-Lao relations is the result of the dirty hands of the ultrarightist reactionaries in the Thai ruling circles. Therefore, the statement of the Thai authorities on the efforts to reduce the ratio of foreign debts is nothing but a beautiful empty promise. The reality will not be the same as the promise.

It is only natural that intelligent Thai people realize what is reality. They can tell whether Thailand's foreign debt will increase or decrease. At present, Thailand's foreign debt amounts to more than \$16 billion. In the meantime, the Thai ruling circles continue to purchase more modern weapons and war materials from foreign countries, especially from the United States, including F-16 fighter-bombers, combat helicopters, and several other types of war materials. They have also approved the setting up of a U.S. war reserve stockpile in Thailand with financial contributions from the Thai side. All these projects require a large sum of foreign currencies. As a result, the foreign debt of \$16 billion will not be maintained, let alone reduced.

Nevertheless, one cannot be sure what will happen. This is because the ultrarightist reactionaries in the Thai ruling circles frequently spring surprises. For example, they used modern techniques to draw a new map to be used as a pretext to aggress against, nibble at, and occupy the three Lao villages in Paklai District, Sayaboury Province, in mid-1984. If they want to reduce the foreign debt figures, they can do this through numerous tricks. For example, they can change the debt figures through devaluation without concern for approval from the debtors. The second thing they could do is to step up their services to foreign countries by aggressing against their neighbors in return for financial gains in dollars to pay their debts.

THAI FOREIGN MINISTER'S RECORD, POLICY CRITICIZED

BK140607 Vientiane Domestic Service in Lao 0530 GMT 13 Aug 86

["Talk": "The Monopolist of Thailand's Reactionary Foreign Policy"]

[Text] Respected listeners, the ultrarightist reactionaries in the Thai ruling circles have caused many difficulties and troubles for the Thai people. As a result, the innocent Thai people of all strata have suffered disasters. In the history of Thailand, the Thai people have never realized such an all-round crisis as they are today. The root cause of the difficult situation facing the Thai people at present is the reactionary domestic policy pursued by the Thai ruling circles, a policy which runs counter to the just interests of the Thai people. A second cause is the hostile foreign policy implemented by Thailand toward neighboring countries, Laos and Cambodia, in particular.

Current Lao-Thai relations result from the foreign policy pursued by previous Thai Governments which completely served the dark schemes of the U.S. imperialists in collusion with the Beijing big-nation expansionists and hegemonists, who hoped to create a tense situation in Southeast Asia in order to maintain their own interests. The one who has monopolized the implementation of the reactionary foreign policy of the Thai ruling circles in previous governments is Sitthi Sawetsila, deputy prime minister and minister of foreign affairs of the Kingdom of Thailand. Despite the fact that during the elections and the preparation for the formation of the new government Sitthi Sawetsila kept quiet and did not show up to raise any hue and cry, he is still well remembered by the Thai people because the Thai mass media has regularly carried news on his activities. Through a little more profound thought, however, one can see how Sitthi Sawetsila has served the people and how enormous the crimes are that he has committed against the Thai people through his past acts.

One of the culprits who has prolonged the settlement of the problem of normalization and improvement of Thai-Lao relations is Sitthi Sawetsila himself. He is also the principal one fostering and protecting bandits before sending them to carry out activities to sabotage tranquility and create disturbances among the Lao and Thai peoples along the border areas of the two countries. He is also providing sanctuaries for and fostering the shattered forces of the genocidal Pol Pot clique, then organizing them to sabotage and obstruct the building of a new life for the Cambodian people.

In addition, it is Sitthi Sawetsila who has caused the deterioration of the Thai role and status in the international arena and has caused Thailand to lose the prestige and trust of friendly countries to the extent that Thailand's relations with various countries in the world, in particular in trading and barter, have been aggravated. As a result, Thailand has lost the confidence of the international community, including those countries which were once considered true friends of Thailand.



Through his acts, Sawetsila has badly damaged the reputation of the Thai nation and people. Worse still is the fact that he has pursued a foreign policy which has completely served the U.S. imperialists' arms race policy and the deployment of armed forces, in collusion with the Beijing reactionaries, to create a tense situation, sabotaging security and threatening peace in this region.

Following the implementation of the said policy, Thailand has become a U.S. war reserve stockpile. The setting up of the war reserve stockpile has created a very favorable condition for the U.S. imperialists to successfully fulfill the plot to return to the Southeast Asian battlefields as well as the plot to reactivate U.S. military bases in Thai territory. Nobody can understand how, despite his aforementioned crimes, he further deceived the Thai people during the election campaigns into reelecting him as a member of parliament. Moreover, it is obvious that he will be included in the new Thai Government again. A news report said that he will even be appointed as deputy prime minister in the new Thai government. Other news sources reported that he might not accept the post of deputy prime minister so that he can ask for the post of foreign minister again. Nobody can verify the veracity of this news. The fact is, though, that most Thai people are already fed up with Sitthi Sawetsila and that they are afraid he will regain his old post again. They fear that he will continue to pursue monopolistically the same reactionary foreign policy, which will result in no way out for the Thai people and nation, which are now in the sea of all-round crisis and that he will further worsen the tense situation in relations with neighboring countries.

#### RADIO DISCUSSES U.S. ROLE IN THAILAND

BK110500 Vientiane Domestic Service in Lao 0530 GMT 9 Aug 86

["Talk": "Cunning U.S. Tricks Against Thailand"]

[Text] In the latter part of the 1970's, particularly during the first few years after their bitter defeat in the war of aggression against the three Indochinese countries, the U.S. imperialists' interest in Thailand apparently diminished in the economic, political, and military spheres. For example, U.S. military assistance, including loans and gratuitous assistance, totaled \$36 million in 1978 and was reduced to only \$32 million in 1979. However, these figures do not correspond with Washington's true nature and militarist and bellicose intentions. Despite their ignominious defeats and great losses sustained during the war of aggression against Indochina, the U.S. imperialists' dream to dominate Southeast Asia remains unchanged. The problem is, however, to regain the influence they lost in 1975, the United States has found it necessary to strengthen its military forces in this region. This means that the U.S. bases that existed in Thailand during the Indochina war must be restored and improved to coordinate with the 7th Fleet and U.S. bases in the Philippines in order to protect the so-called vital interests of the Washington administration in the region.

For this reason, Washington's strategic plan to return to Southeast Asia has been gradually implemented. The United States has pressured various ASEAN countries in the economic sphere through its trade protectionist policy. For example, it enacted the Farm Act and the Jenkins Bill, increasing import taxes on agricultural goods and restricting quotas on ASEAN countries' textile goods exported to the United States. Thailand is one of the countries which has been directly affected by the economic measures. As a result, Thailand's economy, which is already facing a crisis, has been beset with more difficulties and complexities. Taking advantage of these economic difficulties, the United States has put pressure on Thailand to enter its orbit of the arms race and to follow its instructions.



U.S. military assistance for Thailand, including loans and gratuitous aid, increased 1 and 1/2-fold between 1980 and 1985. The assistance totaled only \$54.6 million in 1981 while it amounted to more than \$100 million in 1985, according to Thailand's MATICHON paper of 3 August 1986. The provision of military assistance to Thailand and the pressure put on it to purchase expensive U.S. weapons and to accept a U.S. war reserve stockpile on Thailand clearly show the cunning nature of U.S. imperialists' tricks and their success in using the Thai ultrarightist reactionaries to carry out the U.S. strategic plan of returning to Southeast Asia.

Taking into consideration the "Cobra Gold" exercise which is proceeding openly and brazenly, even though there are still some minor problems concerning the building of the U.S. war reserve stockpile in Thailand, it can be concluded that the stockpile and the restoration of U.S. bases in Thailand are the primary objectives the United States must achieve. However, these things are not desired by the Thai people and other nations in the region since they will pose a great obstacle to the effort to turn Southeast Asia into a zone of peace, stability, and cooperation as desired by the nations in this region.

#### PASASON ON PEACE, STABILITY IN SOUTHEAST ASIA

BK111028 Vientiane KPL in English 0904 GMT 11 Aug 86

["Peace and Stability in Southeast Asia Should be Preserved" -- KPL headline]

[Text] Vientiane, August 11 (OANA-KPL) -- "The recent violations by Thai forces of Kampuchean sovereignty and territorial integrity have been well planned and aimed at threatening the PRK and rescuing Khmer reactionaries from their setbacks," writes PASASON, the leading newspaper of Laos today. The paper says: "these violations have been carried out under the (?U.S. imperialists') instruction and in collaboration destroying peace and blocking the efforts of other countries in the region towards converting Southeast Asia into a zone of peace, stability and cooperation." [sentence as received] "These acts run counter to the trend of peace in the region and of negotiations between Indochina and ASEAN for solving regional problems by peaceful means," the paper stresses.

Touching on the joint U.S.-Thai "Cobra Gold" military exercises, the preparation for the building of war reserve stockpiles in Thailand as well as the violations by Thai forces of Kampuchean sovereignty, the commentary says that Thailand is going deeper and deeper in opposing the revolution of the Indochinese countries in general, and the revival of the Kampuchean people in particular. "The only way of preserving peace and stability in Southeast Asia is to put an immediate end to the arms race policy being carried out by the U.S. imperialists in collaboration with international reactionaries in the region," concludes the paper.

#### PASASON ON SUCCESS OF 4-5 AUG CABINET MEETING

BK101336 Vientiane Domestic Service in Lao 0000 GMT 8 Aug 86

[PASASON undated editorial: "Success of a Meeting Which Marks a New Milestone for the Advancement of the Country"]

[Text] On 4 and 5 August, the Council of Ministers convened an ordinary session under the chairmanship of Comrade Kaysone Phomvihan, chairman of the Council of Ministers.

The most significant action taken at the session was unanimous approval of a council of ministers resolution on the transformation of economic units into business enterprises. The session expressed unanimous determination to create a genuine turning point for transforming [economic units] into business enterprises between now and the end of this year so as to score achievements to welcome the Fourth Party Congress.

At the meeting, the comrade chairman of the Council of Ministers emphasized certain prominent international and regional developments in recent months, expressing complete support for the peace initiatives of the Soviet Union, and exceptionally valuing the proposal on the security and peace in Asia and the Pacific as put forward by Comrade General Secretary Mikhail Sergeyevich Gorbachev in Vladivostok on 28 July.

Touching on Lao-Thai relations, the comrade chairman of the Council of Ministers pointed out that the overall tendency in Southeast Asia and in the other regions of the world is to resolve any conflicts through negotiation for peaceful coexistence. This is a favorable time for the LPDR and the Kingdom of Thailand to resume negotiations aimed at normalizing the improvement of relations between the two countries in all respects.

With regard to the issue of effecting a new transformation of management to immediately transform the various existing economic units into business enterprises, the comrade chairman of the Council of Ministers explicitly stated the reasons for the transformation of the management apparatuses by switching from the administrative state financing system of management to the socialist business system and by building new management apparatuses. The comrade explained in depth the following three basic issues on the transformation of the economic units into business enterprises:

1. Establish the rights to self-mastery [autonomy] in running businesses and consolidating and perfecting the economic units.
2. Consolidate and perfect economic management and administrative apparatuses.
3. Make arrangement for implementation.

With regard to these issues, the comrade chairman of the Council of Ministers paid special attention to discussing the definition of the rights of self-mastery in running businesses and consolidating and perfecting the economic units. As in several other fraternal socialist countries, the situation in our country clearly indicates that if we fail to change over to the new economic management apparatuses, we will not be able to resolve our new economic tasks. Therefore, to triumphantly effect the orientation of economic and social development during the first stage of the current period, especially the second 5-year State Plan, we must modify economic management. This does not mean only to modify certain aspects but to carry out a fundamental reform along a drastic direction to do away with the centralized administrative state financing system and to turn to socialist business accountancy apparatuses so as to make the overall management system effective and practical, thus enabling us to better exploit the potentials of our country and to more fully utilize the potentials of the socialist system.

To correctly appreciate the economic management apparatuses, first of all, one must understand that the old apparatuses are of state financing nature while the new ones are of business nature. Then, we can proceed to pave the way for the new apparatuses by doing away with the state financing apparatuses and turning to the socialist business system.

Generally speaking, running a business is an art of regaining capital by doing whatever to gain income to cover all expenses and to generate profits so as to further expand the size of business dealings. In other words, it is a calculated way of making an efficient livelihood by using income to cover expenses and still make profits. The change over into business enterprises must be carried out in a rigorous, abrupt, and total manner. It must not be done in an indecisive and intermittent manner. The economic units must be self-sufficient and be able to make contributions to the state. They must not rely on state financing. As for the rights to mastery [autonomy] in running businesses by the economic units, they are, in fact, only the rights to mastership [autonomy] in carrying out trade transactions. Thus, it is necessary to permit independence and to ensure the rights to mastership for the economic units in running businesses. First, the right to self-mastership in planning must be ensured. Then, the right to self-mastership in managing finance must be guaranteed. This is because without money and without the right to own money, the economic units will never be able to run businesses.

As for other aspects of this issue, we must clearly point out the distinction and correct relationship between the two roles of the economic units in state management and business management. The socialist business enterprises are linked with plans. The plans are used to guide the businesses and the businesses are used to implement the plans. Thus, to make a successful change over to the socialist business enterprise, it is important that we must be able to outline plans. With regard to this, the outlining of long-term and medium-term economic development plans is very crucial, especially those plans on investing to build a foundation and on developing economic relations with foreign countries. In the meantime, an economic policy is also vital. If the policy is correct, all potentials will be discovered and exploited. If it is wrong, it will destroy all supportive resources. In addition, the relationship between the center and localities must be rectified by rigorously delegating more responsibilities and giving more rights to the localities in carrying out economic and social management. Only by turning to running businesses will we be able to effectively and economically utilize capital. It is only natural that the transformation of management in order to transform the administrative state financing management system into the business management system is complicated and difficult. It must be carried out in a consistent and persistent manner and it is time-consuming. But it is certain that we will be able to fulfill this goal.

#### MINISTERS ISSUE DECREE ON SOCIALIST ENTERPRISES

BK120630 Vientiane Domestic Service in Lao 0000 GMT 12 Aug 86

[Text] On 8 August, the LPDR Council of Ministers issued a decree on turning economic sectors into financially viable socialist enterprises.

Article 1 of the decree points out: From now until the end of this year it is necessary to turn all economic sectors into financially viable enterprises. This will be carried out in two phases. In the first phase from August to September, each ministry, province, and the capital of Vientiane shall select a few key economic sectors for turning them into financially viable enterprises so that lessons can be learned by them. In the second phase from October to December 1986, the remaining economic sectors shall be turned into such enterprises.

To fulfill the above objective, the decree provides the following recommendation: Various ministries, provinces, and Vientiane municipality should organize training courses on the plan of shifting toward financially viable enterprises.



This is to be done by selecting three or four managing cadres, finance and accounting cadres, and persons in charge of a trade union to attend training and by selecting departmental chiefs and deputy chiefs, cadres in charge of the mass organizations attached to the various ministries, directors and deputy directors of various economic branches, persons in charge of various mass organizations in the provinces and Vientiane municipality, and some cadres attached to the planning and financial services at the ministerial, central, provincial, and municipal levels to attend training courses. These persons shall contribute to guiding the immediate planning work. Following the conclusion of the training courses, the various ministries, provinces, an Vientiane municipality shall dispatch cadres to assist enterprises in publicizing the policy and plan on turning economic sectors into financially viable enterprises.

In addition, the decree of the Council of Ministers provides details on the task of shifting toward financially viable enterprises. For example, it is necessary to review all the plans for 1986 regarding production potentials, the accumulation of products, commitments to the national budget, the expected production output over the next 5 years, and the 1987 plan. It is also necessary to review and evaluate fixed property and revolving funds; formulate plans on the use of material, machinery, and labor; formulate the price list for processed products and other main products; calculate the profits of an enterprise; review and evaluate personnel assignments; improve various work units; formulate the salary and wage system based on the quantity of products turned out by a worker or contractor; and modify and improve the management mechanism of an enterprise.

The decree also advises the ministries, provinces, and Vientiane municipality to exchange views with enterprises and sign memoranda on turning economic sectors into financially viable enterprises; organize and mobilize the masses to accept the right of mastery of an enterprise; and launch emulation campaigns to implement the new mechanism and step up the production of an enterprise in order to score achievements to welcome the coming Fourth Party Congress.

#### LEADERS ATTEND FUNERAL OF KHAMSOUK SAI-GNASENG

BK080244 Vientiane Domestic Service in Lao 0000 GMT 8 Aug 86

[Text] The funeral of Comrade Khamsouk Sai-gnaseng, member of the LPRP Central Committee, minister and chairman of the Lao-Soviet Friendship Association, was held at the That Louang Pagoda Ground in Vientiane capital yesterday afternoon in a sorrowful atmosphere. Attending the funeral ceremony were Comrade Kaysone Phomvihane, general secretary of the LPRP Central Committee and chairman of the Council of Ministers, and various comrade members of the party Central Committee and vice chairman of the Council of Ministers -- Nouhak Phoumsavan, Phoumi Vongvichit, Khamtai Siphandon, and Phoun Sipaseut -- along with comrade members of the party Central Committee, members of the SPC Standing Committee, ministers or deputy ministers, and a large number of high-ranking cadres in the center and in Vientiane capital.

In the mournful atmosphere, Comrade Sali Vongkhamsoo, secretary of the party Central Committee, vice chairman of the Council of Ministers, chairman of the State Planning Committee, and chairman of the committee for the funeral of Comrade Khamsouk Sai-gnaseng, read a eulogy mourning his death by giving a brief biography of the departed Comrade from the day he joined the revolution in 1949 until his passing away on 29 July 1986. Throughout his life of revolutionary activities, Comrade Khamsouk Sai-gnaseng always maintained a spirit of revolutionary struggle and was always absolutely loyal to the party. He devoted all his energy and abilities to contributing positively to the party's leadership. He served as a model in strengthening the unity among various tribes as well as international solidarity.

The passing away of Comrade Khamsouk Sai-gnaseng has caused great sorrow and grief to our Lao revolutionaries and people. His passing away is considered a loss of a senior revolutionary fighter in the ranks of our party and revolution.

On this mournful occasion Comrade Sali Vongkhamso, on behalf of the party Central Committee and the Council of Ministers, called on the cadres, party members, combatants, state employees, and people of various tribes to strengthen unique solidarity and turn the sorrow into strength to carry out revolutionary activities to fulfill the tasks of defending the country and building socialism. Before the cremation, Comrade Sali Vongkhamso invited the various comrade party and state leaders as well as representatives of various organizations to bow to express mournings to the remains of Comrade Khamsouk Sai-gnaseng.

#### MASS MEDIA COMMITTEE PREPARES FOR PARTY CONGRESS

BK100836 Vientiane Domestic Service in Lao 0000 GMT 10 Aug 86

[Text] On the morning of 9 August 1986, the State Committee for News Agency, Newspapers, Radio, and Television held a consultative meeting in Vientiane to discuss coordination of activities in carrying out propaganda work in preparation for the Fourth LPRP Congress. The meeting was chaired by Son Khamvanvongsa, acting chairman of the committee, and attended by deputy ministers, vice chairmen of the state committee, vice chairman of the administrative committee of Vientiane municipality, and vice chairmen of central mass organizations along with officials working in the propaganda service from various sectors.

In the meeting, the participants profoundly discussed details on the coordination of the propaganda activities in preparing to carry out propaganda in service of the Fourth LPRP Congress, in particular propaganda on the implementation of the line and policies of the party, plans of the state, and achievements of each branch in the centers as well as throughout the country. They also discussed the use of mass media apparatuses to profoundly carry out the propaganda work in service of the political work of the party and of each branch in the immediate and distant future to effectively guarantee major issues in a timely manner.

#### POLITICAL CAMPAIGNS CONTINUE IN VIENTIANE

BK071420 Vientiane Domestic Service in Lao 0000 GMT 7 Aug 86

[Text] Vientiane Province has completed political life campaigns for cadres and state employees at the provincial level. These important political campaigns are being organized for the people at the canton and village levels to enable everyone to contribute views to the draft political report of the LPRP Central Committee, which will be submitted to the coming Fourth Party Congress.

Thanks to these political campaigns cadres, state employees, and people of various ethnic minority groups understand the all-sided and great victories and achievements recorded by the entire party, army, and people in the past 10 years and are aware of some weaknesses, remaining problems, and lessons gained in the past practical deeds -- lessons that serve as a basis for carrying out work in the immediate future. Following their study the participants profoundly understood and unanimously approved the draft political report. They also attentively contributed their views toward perfecting the draft report. They are now determined to heighten their capability, creativeness, and attitude and their vigilance in order to contribute to the revolutionary task of defending and building the socialist fatherland.



## Luang Prabang, Champassak Study Report

BK080419 Vientiane Domestic Service in Lao 0000 GMT 8 Aug 86

[Text] Various services in Luang Prabang and Champassak Provinces are now stepping up organizing political life campaigns to study and sincerely contribute views to the draft political report of the party Central Committee to be submitted to the upcoming Fourth Party Congress. In each campaign, cadres and state employees of each locality have come to understand great victories and achievements in many fields scored by our entire party and people over the past 10 years. They have also seen weak points, remaining problems, and lessons to be used as the basis for the implementation of tasks in each field in the next stage. Following the studies, all cadres and state employees are determined to enhance their abilities, initiatives, and attitude and heighten vigilance to contribute to successfully carrying out the movements to defend and build our socialist country.

## Campaign Ends in Viangsaï District

BK110248 Vientiane Domestic Service in Lao 0000 GMT 11 Aug 86

[Text] Political life campaigns were held early in July for cadres and workers in Viangsaï District, Houa Phan Province, to study the draft political report which will be submitted by the LPRP Central Committee to the coming Fourth Party Congress. These political campaigns ended with fine success in the latter part of the same month. Another report says that the Luang Prabang provincial military command concluded a similar political campaign in early August. Through the campaigns the participants have understood the achievements recorded by the entire party, army, and people over the past 10 years as well as the clear-sighted and talented leadership of the party. At the same time, the participants unanimously approved their immediate action plans and the party's strategic line of the defense and construction of socialism.

## Army Units Study Report

BK101446 Vientiane Domestic Service in Lao 0430 GMT 9 Aug 86

[Text] From early July to date, various army units, combat units, divisions, provincial military commands, independent units, and people's public security forces have organized sessions to study and to contribute views to the draft political report of the party central committee, which will be submitted to the forthcoming Fourth Party Congress with a sense of enthusiasm and responsibility. For example, the primary combined military training school, Division A, the Vientiane Provincial Military Command, the General Public Security Department, the Interior Ministry's Forces Training Department, Division E, the Houa Phan Provincial Military Command, Air Defense Battalion C attached to the Xieng Khouang Provincial Military Command, units under the Air Force Command, Air Defense Regiment A, Army brick factory No. 5, and several other army units recently studied and contributed views to the said political report with brilliant successes.

During the sessions to study and contribute views to this political report, cadres and combatants in each unit profoundly studied the contents of the report and were able to see the achievements and victories scored by our people in the past 10 years under the talented and brilliant leadership of our party. They also found out certain shortcomings encountered by themselves and their units in the past. They were determined to find the best solution to resolve those problems. They also studied several other issues in the draft political report.



They closely evaluated and contributed views to the draft report and expressed their solidarity with the party by pledging to fulfill their duties in the units. At present, this political life campaign is being relentlessly conducted throughout our Army.

'Division E' Preparing For Congress

BK071030 Vientiane Domestic Service in Lao 0430 GMT 5 Aug 86

[Feature: "Division E prior to Party Congress"]

[Text] The working atmosphere in Division E is currently more enthusiastic and exciting than ever before. This is in response to the party Central Committee's urgent requirement to score all-round achievements to greet the forthcoming Fourth LPRP Congress. This enthusiastic atmosphere stimulates the hearts of the officers and men in the division since the congress will be a beacon for them in advancing from one victory to another. Various committees, cadres, and commanders of offices, organizations, units, schools, hospitals, factories, production units, and the various units currently carrying out the task of combat readiness and of defending the country are looking forward to the Fourth Party Congress with new hope and firm confidence. The work they are doing and the great achievements they have recorded are a result of their emulation campaigns greeting the Fourth Party Congress.

At the recent divisional conference for officers and men to review achievements in the 1st half of 1986 and to study the 10th resolution of the third party Central Committee session, the division issued an instruction to all officers and men under its command to launch emulation campaigns to formally welcome the fourth party congress. Since then the atmosphere in the division has become especially enthusiastic. It is apparent that various offices and units under the division are carrying out their work more enthusiastically and actively. The work pattern and style of work of cadres and specialized organizations have been further improved, thus ensuring smoothness in their work. Dance units, sports units, soccer teams, and film projection units have tirelessly trained and entertained various units, thus creating an enthusiastic and joyous atmosphere in the units.

Meanwhile, various units, schools, and hospitals, such as the sawmill, dried food factory No. 4, the animal husbandry settlement, the basic army officers training school, the intermediate-level medical school, the army cultural school, hospital 106, and other construction projects under the division's supervision, have raised their production quantity and quality in teaching students and treating patients. Some units are working day and night with a high sense of responsibility. Those comrades attached to various depots have paid greater attention to maintaining and examining equipment and material.

The various units and independent companies carrying out the task of combat readiness to defend the country, including those defending the command office of the division, rear line barracks, and the frontier in the front line are determined to do their patrol duty more strictly and to resolutely defend the country and its territorial integrity as well as the people's tranquility and happiness. At the same time, they have attended tactical and technical courses to ensure the task of fighting well. They have also attentively improved the army's regulations, engaged in cultivation and animal husbandry to achieve self-sufficiency and self-reliance in all respects, and improved their own living conditions. The wave of emulation campaigns in the division is continuing with the firm hope of scoring great achievements to honorably welcome the Fourth Party Congress.

SENATE REJECTS REQUEST TO FREE UNIONIST-SENATORS

BK130754 Bangkok BANGKOK WORLD in English 13 Aug 86 pp 1, 2

[Excerpt] The senate, by a vote of 139 to 21, this morning rejected a request for the temporary release of two unionist-senators detained in connection with the September 9 coup last year.

One senator pointed out that Amat Khamthetthong and Sawat Lukdot -- facing sedition charges along with 38 others -- might attempt to escape if the request were granted.

The Upper House, chaired by Parliament President Ukrit Mongkhonnawin, made its decision on the two suspects in the first sitting since Parliament was reopened last week.

In putting forward the request, Amat cited Article 113 of the Constitution which states that the Senate is entitled to vote for the release from custody of its members during a parliamentary session.

Senator Sanon Saisawang opposed the release on grounds that the September 9 coup was unlike the April 1 coup.

"The April 1 coup did not cause any damage to the country's property but the September 9 coup caused considerable damage in terms of loss of lives and property and the Senate cannot act as guarantor for the release of these two men," he said.

"If they are released, what can Parliament do to prevent their possible escape?" he added.

Instead, he suggested that the two follow normal legal procedures and request bail in court as other coup suspects -- for instance Senator Gen Soem na Nakhon -- had done.

Both Amat and Sawat on many occasions earlier had been refused bail --due to police objections -- although five top brass suspects, including Gen Soem, have been granted the provision.

Sanon's statement was backed up and supported by many other senators, namely Amon Raksasat and Chawalit Runsaeng.

However, Senator Adm Chinda Chaiudom called for a soft approach towards coup suspects since harsh punishment would not guarantee that there would be no more coup attempts.

Parliament Speaker Ukrit called for a vote on the issue after a few more people voiced their opinions.

Earlier, Senator Chawalit Runsaeng told newsmen that there would be a free vote on the matter in the absence of a senate coordination committee which was dissolved along with the last Parliament on May 1.

Amat over the weekend voiced hope that other senators implicated in the same case would help push in favour of his request.

Other senators facing coup charges but released on bail include Gen Soem, Air Chief Marshal Krasae Inthararat and ACM Arun Phromthep.



Gen Yot Thephatsasin and Roi Et MP Gen Kriangsak Chamanan are two other top brass officers also granted bail last February. [passage omitted]

#### CENTRAL BANK MOVES TO RESOLVE EXPORT PROBLEMS

BK120500 Bangkok THE NATION in English 12 Aug p 17

[Text] The Bank of Thailand has agreed to provide more assistance to exporters in stock financing and reduce the penalty rate on delayed repayment of promissory notes.

The central bank sent a circular to all commercial banks yesterday. The new facility will increase financing by 500 million baht through promissory notes by exporters.

Spokeswoman Mrs Praphaphim Sakuntaphai said that the level of stock financing will increase by 10 per cent from 50 to 60 per cent of goods stock based on commercial bank's valuation.

A 10 per cent increase -- from 60 to 70 per cent -- has been provided for financing stocks of rice, jute and tapioca products which face problems in exports. The new facility will remain in force until the end of December this year for the three products, after which the level of financing will be equivalent to other commodities, she said.

The penalty rate will be cut to only eight per cent of the value of promissory notes, representing a cut of three per cent to be in line with the existing interest rates in the market. When combined with the interest rate on stock financing at seven per cent, the total is 15 per cent, is the current market rate, she said.

The company has penalized exporters who were found to have misused the export financing facility. At present, the outstanding is 900 million baht, comprising 364 million baht from last year and 125 million baht in the first half of this year.

The central bank, said Mrs Praphaphim, has also extended the period for penalty payment. There will be no penalty pre-payment penalty but penalty will be imposed when exporters fail to fulfill their shipment when the facility expires.

In another category, exporters will be given two months exemption from more months to be penalized when they have enough reason for the delay. By this, exporters must present the bill of lading and invoices to the central bank. If the 60-day period expires the central bank will impose penalty.

Mrs Praphaphim said the change will lead to an additional 500 million baht in stock financing. Last year, the facility used by exporters amounted to 7,565 million baht. In the first half of this year, it amounted to 4,800 million baht out of the total of 37,000 million baht marked for the facility.

Those eligible for the financing are exporters who have working capital of five million baht, international trading firms with privileges from the Board of Investment (BoI) and exporters of industrial goods manufactured by BoI-promoted firms and exporters who use the service of Thai flag carriers and those who export rice, jute, and tapioca products, said the spokesman.



SLOW PROGRESS NOTED IN JOINT INVESTMENT WITH PRC

BK110956 Bangkok ZHONG HUA RIBAO in Chinese 8 Aug 86 p 9

[Text] Joint investment between China and Thailand has made slow progress because China has maintained a closed-door policy too long and lacks economic, and scientific and technological knowledge; while Thai businessmen who go to invest in China are afraid of China's changeable policies. However, cooperation between the two countries still has a future.

A report on the Sino-Thai economic and trade situation by the Board of Trade of Thailand says that China lacks understanding of the investment situation in Thailand and accuracy in selecting investments and business partners. At the same time, China also lacks administrative knowledge. Its administrators have worked at state enterprises, and are used to working under the direction of the country's economic policies. They are unaccustomed to cooperating with foreign countries. The main reasons are that they lack economic, technical, administrative, legal, and financial knowledge.

Many problems occurred because they lack experience in foreign investment, and do not make an advanced analysis of each investment project.

As for Thailand's investments in China, Thai investors are afraid of China's changeable policies. Nor do they understand economic conditions in China, nor know what business to invest in. However, the prospect for joint investment between the two countries is still bright because both countries are concerned with the benefit of foreign investment, and both governments have always given vigorous support to foreign investment.

Bilateral trade between the two countries has increased fourfold during the past 10 years from a volume of 2,728 million baht recorded in 1976 to 13,442.41 million baht in 1985. Thailand had a trade deficit for most years. It enjoyed a trade surplus only in 1977, 1982, and 1985.

NEW YOUTH LEAGUE BELIEVED LINKED TO COMMUNISTS

BK120501 Bangkok THE NATION in English 12 Aug 86 p 2

[Text] A newly-established illegal organization, which is believed to have some linkage with the Communist Party of Thailand (CPT), recently expanded its networks from the South to the northeastern region, an informed military source said.

He said the movement, known as "The Democratic Youth League of Thailand," started to expand its underground networks from the South to some provinces in the northeastern region about two months ago.

According to the source, the organization was established about three months ago in the southern region.

The source said the movement, which follows the communist ideology, is trying to set up political bases in southern and northeastern towns.

He said members of the organization, mostly comprising students from universities and colleges, have some contact with businessmen in some southern and northeastern townships.

The source said the organization about two months ago held a meeting, presided by Comrade Suriyan leading member of the movement, in the northeastern province of Udon Thani to map out a plan for its political struggle.

However, the meeting did not reach any conclusive decision because the attending members broke into two factions, said the source. He said one group proposed that the movement launch an aggressive political campaign while another faction prefers the struggle to be carried out peacefully.

The military officer said that though there is still no concrete evidence, the underground organization is believed by the military to have some linkage with the pro-China CPT, which currently has about 100 armed insurgents hiding in the northeastern region.

The military source also reported that about 1,000 armed insurgents of the pro-Soviet faction of the Thai communist movement are currently based in Laos.

However, he said that so far there is no significant movement of the pro-Vietnam and Soviet insurgents in the Northeast.

NUMBERS ON THAI-CAMBODIAN BORDER CITED

BK120826 Bangkok Voice of Free Asia in Thai 1030 GMT 11 Aug 86

[Text] According to a recent report from the Supreme Command Information Office, the number of Cambodian refugees and illegal immigrants at the Khao I-Dang temporary center for illegal Cambodian immigrants is 25,658 and the number of Cambodians who fled fighting in their country to areas along the Thai-Cambodian border is 259,676. These Cambodians are staying along the borders of Sisaket, Surin, Prachin Buri, Chanthaburi, and Trat provinces.

TRUONG CHINH RETURNS FROM 'VACATION' IN USSR

OW131604 Hanoi VNA in English 1542 GMT 13 Aug 86

[Text] Hanoi VNA August 13 -- Truong Chinh, general secretary of the Communist Party of Vietnam Central Committee and president of the State Council, returned here today after a vacation in the Soviet Union at the invitation of the Central Committee of the Communist Party of the Soviet Union.

SOURCE SAYS NGUYEN CAN TO MEET U.S. MIA TEAM

BK131214 Hong Kong AFP in English 1206 GMT 13 Aug 86

[Text] Hanoi, Aug 13 (AFP) -- A team of U.S. experts arrived here Wednesday for talks with Vietnamese officials about U.S. servicemen listed as missing in action (MIA) in the Vietnam war, an authoritative Vietnamese source said. The U.S. experts, led by the head of the U.S. Forces' Joint Casualty Resolution Centre in Hawaii, Colonel Joe Harvey, is to have a working session Thursday with a team from the Vietnamese bureau dealing with U.S. MIA's, led by Nguyen Can, the source said.

It is not known what will be discussed, but observers here believe further joint searches of crash-sites of downed U.S. warplanes could be on the agenda. Observers say the Vietnamese side might reply to a U.S. letter delivered at a meeting here last month of U.S. and Vietnamese officials, which formally accords U.S. support to Vietnam's unilateral plan to settle the MIA question.

The U.S. team is due to leave here on Friday.

OFFICIAL TELLS PRC OF PLAN TO RETURN 'INTRUDERS'

BK131506 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Aug 86

[Text] On 13 August, Comrade Hoang Nhu Ly, deputy director of our Foreign Ministry's China Department, met with Chen Tsenglin, counselor of the Chinese Embassy in Hanoi, to inform him that, on the occasion of national days of Vietnam and China this year, proceeding from its respect for the friendship between the two peoples and its humanitarian policy, the Vietnamese Government has decided to return soon to the Chinese Government 27 Chinese who illegally intruded into Vietnamese territory and were captured by the Vietnamese side so that they may be reunited with their families.

TWO SENTENCED IN HANOI FOR SPYING FOR PRC

BK131414 Hong Kong AFP in English 1401 GMT 13 Aug 86

[Excerpt] Hanoi, Aug 13 (AFP) -- Two young Vietnamese have been sentenced to up to eight years in prison for spying for China, the HANOI MOI newspaper reported Wednesday. Nhuyen Van Boi, 26, and Nguyen Van Ba, were sentenced to 12 months and eight years respectively by the people's court in Hanoi, the newspaper said.



It said Boi, a Hanoi native, entered China in April 1984 where he was wooed by the Chinese secret service with "money, goods and girls" to conduct espionage in Vietnam, it said. After a training period in China, Boi was sent to Vietnam to "collect intelligence and train Vietnamese to flee into China," it said.

During his first mission he was able to bring his friend Ba back across the border with him, it said. But on a second mission, accompanied by Ba and carrying Chinese tracts, Boi surrendered to Vietnamese authorities after members of the public threatened to denounce him, the newspaper said.

Boi got a 12-month sentence because he had turned himself in, HANOI MOI said, while Ba got a stiffer eight-year term for having "refused to present himself" to the authorities.

Spying can carry the death sentence in Vietnam. [passage omitted]

#### TRUONG CHINH GREET SINGAPORE PRESIDENT

OW090803 Hanoi VNA in English 0718 GMT 9 Aug 86

[Text] Hanoi VNA August 9 -- President of the State Council Truong Chinh yesterday cabled his greetings to President Wee Kim Wee on the 21st National Day of the Republic of Singapore (August 9).

#### LEADERS CONGRATULATE THAI COUNTERPARTS

OW131727 Hanoi VNA in English 1548 GMT 13 Aug 86

[Text] Hanoi VNA August 13 -- Chairman of the Council of Ministers Pham Van Dong has sent warm congratulations to Prem Tinsulanon on his re-appointment as prime minister of the Kingdom of Thailand.

The message said: "It is of significance that Your Excellency's appointment to this high post was made at a time when we had marked the 10th anniversary of our countries' diplomatic relations, thereby ushering in a new period in their friendship and cooperation. The abnormality in the two countries' relations at present is only temporary and is not in conformity with the interests of the two peoples as well as with the common trend in the region and in the world.

"I believe that with the new government headed by your Excellency and with the goodwill of the two sides, we will establish a mutual trust and understanding aimed at developing the friendship and good neighborliness for the benefit of the two peoples, and for peace and stability in Southeast Asia.

"I avail myself of this opportunity to reaffirm the Socialist Republic of Vietnam's consistent policy of respecting the independence, sovereignty and territorial integrity of Thailand, and its readiness to develop its friendship and cooperation with Thailand and other countries on the basis of the principle of peaceful co-existence".

Foreign Minister Nguyen Co Thach has also sent his congratulations to Sitthi Sawetsila on his re-appointment as foreign minister of Thailand.

LEADERS CONGRATULATE MALAYSIAN COUNTERPARTS

OW131728 Hanoi VNA in English 1546 GMT 13 Aug 86

[Text] Hanoi VNA August 13 -- Chairman of the Council of Ministers Pham Van Dong today extended warm congratulations to Mahathir Mohamed on his re-election as prime minister of Malaysia.

The congratulatory message says: "May the Malaysian people, under Your Excellency's leadership record new achievements in building a happy and prosperous Malaysia.

"I hope that the ties of friendship and cooperation between Vietnam and Malaysia will be further consolidated and developed in the interests of the two peoples, and for peace, friendship and cooperation in Southeast Asia".

Foreign Minister Nguyen Co Thach has also congratulated Rais Yatim on his appointment as Malaysian foreign minister.

LATE REPORT: OFFICIALS REPATRIATE U.S. CITIZEN

BK141028 Hanoi International Service in English 1000 GMT 14 Aug 86

[Text] The local authorities in the southern province of Nghia Binh has repatriated an American citizen who had illegally entered Vietnamese waters. The man, (Robert Wilfred Sharp III), a native of Georgia and a resident of Atlanta, was arrested while committing acts against the sovereignty and security of Vietnam on 23 April 1985.

The American confessed to his violations of the criminal code of the SRV and committed not to repeat his acts against Vietnam. He also asked the Vietnamese Government for mercy. (Robert Wilfred Sharp III) was duly fined and before his repatriation on Wednesday [13 August] expressed gratitude to the humanitarian and lenient policy of the Vietnamese Government and people.

MALAYSIAMAHATHIR SAYS NEW CABINET TO REVITALIZE ECONOMY

BK111419 Kuala Lumpur Domestic Service in English 1130 GMT 11 Aug 86

[Text] Datuk Sri Dr Mahathir Mohamed says the new cabinet's top priority will be to revitalize the national economy. He said the two main areas identified were unemployment and investments. He said commodity prices are beyond the government's control and expect them to remain at low levels so long as there are quarters manipulating prices in the international market. As it is, the government has to look to other areas to strengthen the national economy. He said this to newsmen after announcing his cabinet lineup. Datuk Sri Dr Mahathir said in the government's effort to reduce expenditure it will privatize several of its agencies including the telecoms department.

Datuk Sri Dr Mahathir also said the government will not make any major changes in the existing policies. The present policies will be continued as they are accepted by the people and that was the reason the people had given the Barisan Nasional a fresh mandate to rule. The cabinet lineup announced by Datuk Sri Dr Mahathir has been described as one designed to reflect the government's aim to continue its sound political, economic, and social policies.

A cross-section of Malaysians interviewed including those in trade unions, teachers unions, political parties, the business sector, and consumers movements said they were pleased to see many old faces retained in the government. Those from the financial and business sectors said they were happy to note that there was continuity in the Finance and Trade and Industry Ministries as this will ensure continuity in the country's economic policies. They also said that the quick announcement of the cabinet lineup after the general election is good because it will stop all forms of speculation.

ISLAMIC PARTY'S SPIRIT NOT DAMPENED BY DEFEAT

BK080845 Kuala Lumpur NEW STRAITS TIMES English 7 Aug 86 p 5

[By Farush Khan]

[Text] Kuala Lumpur, Wed -- PAS' [Pan Malaysian Islamic Party] crushing defeat in he general election has not dampened its spirit to struggle for an Islamic state, party president Haji Yusof Rawa said today.

"We lost the battle, but not the war," he told the press at the PAS headquarters here.

The result of the election, he said, showed the party still had the support of many people in the country.

PAS will maintain all its policies and objectives because it believes they are in line with the teachings of Islam.

"Our spirit is not dampened by the defeat because the ultimate objective of our struggle is not to win the election, but to struggle for the cause of Islam."

Haji Yusof said PAS's cooperation with non-Muslims through the Chinese Consultative Committee (CCC) would be intensified and the understanding it had with other opposition parties through the electoral pact would be maintained.



"We will still hold on firmly to the joint declaration (with SDP Socialist Democratic Party), Nasma [Nationalist Party of Malaysia], PSRM [People's Socialist Party of Malaysia] and the Workers' Party, though some of the parties might have breached the conditions."

He admitted that the pact signed on July 14 had partly contributed to the party's defeat, saying there was not enough time to strengthen the alliance and explain it to voters.

However, PAS will conduct a post-mortem to find out the cause of its failure on the polls.

All PAS divisions have been directed to submit their reports on the cause of the defeat in their constituencies before the party's general assembly, expected to be held in Rusila, Terengganu, at the end of next month.

The general assembly was originally scheduled from Aug 1 to 3, but it was postponed following the dissolution of Parliament on July 19.

Haji Yusof said the role of the CCC and the objective of the electoral pact would be explained in detail in his policy speech during the general assembly.

#### SINGAPORE

#### LEE KUAN YEW DELIVERS NATIONAL DAY SPEECH

BK100805 Singapore THE STRAITS TIMES in English 9 Aug 86 p 18

["Full Text" of Prime Minister Lee Kuan Yew's 1986 National Day Speech]

[Text] The GDP in the first six months of 1986 was 1.3 percent less than for the same period last year.

The Economic Committee Report released in February 1986 is a landmark for the younger generation.

A committee of a younger minister, officials, trade unionists, executives, professionals, and businessmen analysed our problems with brutal frankness and made many recommendations for lowering business costs and for new directions in our economy, with the private sector leading the way.

The Government accepted the recommendations. But we did not agree to reduce personal and company taxes in full.

They will be reviewed in a few years and further reduced if it is necessary to take account of tax changes in the countries of our investors, like America and Japan, and in the countries of our competitors, like Hong Kong, Taiwan and Korea.

We have made an appreciable cut of 12 percent in the wage cost of employers, through a 15 percentage-points cut in the employers' CPF [Central Provident Fund] contribution.

More important, we decided to have wages restrained for two years to keep labour costs from rising and worsening our competitive position against Hong Kong, Taiwan and Korea.

Even after these two years, whether we regain a competitive wage position depends on how we shall have increased our productivity as compared to how our competitors have increased theirs, and also how they have increased their wages.

In the first quarter 1986 our economy declined by 3.4 percent compared to the first quarter 1985.

The second quarter increased by 0.8 percent.

It is too early to cheer, but the signs show a turning for the better.

If this trend continues, we may end up with a zero or even a small positive growth instead of minus 1.5 percent as earlier forecast.

One indication of the depth of the recession is in two sets of figures: Our external trade for the first half 1986 went down in dollar terms by 10 percent, whilst the volume of cargo handled went up by 9 percent, that is, 9 percent more cargo but worth 10 percent less.

If all cargoes were commodities, the fall in value would be nearer 30 percent.

Many things can happen to reverse the small progress we have made. The world economy is beset with problems.

If we are lucky, we may get a weak recovery by the end of this year or the middle of next.

That will not mean that all is well, or that we can go back to old times and high wage increases.

First, we have to make up for two years of negative or poor growth in 1985 and 1986.

Second, we shall have to keep wage increases in line with increases in productivity.

The policies to get us out of recession and back into growth have been settled by my younger colleagues.

I have expressed my views, at times, strongly. But I considered the general thrust of their policies sound, and I did not alter them.

Particular responsibility rests on Goh Chok Tong as First Deputy Prime Minister, and Ong Teng Cheong as secretary-general of the NTUC [National Trade Union Congress], who both backed the measures proposed by Lee Hsien Loung as Acting Minister for Trade and Industry.

Dr Tony Tan was Minister for Trade and Industry before February 1986 when the economic committee deliberated on these problems.

His support for their recommendations was decisive. We decided to reduce fees and taxes significantly. This was possible because we have always been frugal. We have not run budget deficits, nor do we have foreign debt.

But the decision on wage restraint is not easy to implement. It requires the cooperation of the workers and the unions, for two years.

So far, so good. Workers and unions have exercised restraint, because it is obvious to all that the economy is doing poorly.

The real test will come next year. If, as I hope, we register some positive growth in the first half of 1987, there is the danger that some workers and union leaders may want to jump the gun.

That will be a mistake. It will damage the most valuable asset that our younger leaders and our younger workers are together creating and accumulating in partnership: That report, that cooperation, that working in tandem which make plans come true and generate investor confidence.

Investors know Singapore is in the midst of transition — a transition to a second generation leadership, and, at the same time, a transition into a more mature economy.

The second generation leaders are proving that they can measure up, that they can make tough decisions, and that they can get the people to back their policies. However, after recovery, growth will not resume the 8-10 percent we have got used to for 20 years. It will be more like 3-5 percent.

Because of low birth rates, fewer workers are coming into the workforce.

And because we are now a middle developed economy, we no longer have so much easy gains to make, as we did when large numbers of our unemployed rapidly became workers in new industries, making for big increases in our GDP.

We must recognise and accept these realities. To hope for a return to high growth is to be unrealistic and to be disillusioned.

However, if we work in tandem, if Government, unions, and management are at one, not at odds with each other, we shall still make considerable growth in real terms.

For the 3-5 percent is now based on a higher per capita GNP base of \$14,300 compared to \$5,900 in 1975, that is, two-and-a-half times higher.

The key to new growth is to get investors to venture their capital in Singapore.

New investments will bring us new enterprises. Many of these will turn out to be sunrise industries.



We must also encourage the investors already here to invest more, to upgrade their equipment and to expand into new growth areas.

It was the continual and continuing flow of new investments that kept our economy humming for over 20 years, despite two world recessions in 1974 and 1980 caused by sudden and sharp increases in oil prices.

Singapore is what she is today because my generation, both workers and leaders, together faced our problems squarely and dealt firmly with them. We roughed it out together.

The younger generation in their turn can prove that setbacks do not knock them off balance. Indeed hardship can bring more out of them.

Confronting a challenge together can make for that team spirit between leaders and people, that camaraderie, that willingness to share and to bear burdens for the good of all.

Investor reaction is promising. Investment commitments for the first six months are about \$600 million, comparable to the same period last year.

But overall for the year, we expect investment commitments to total \$1.4 billion, up from \$1.1 billion in 1985.

The long-term trends are favourable: low oil prices, low interest rates, and low U.S. dollar.

If there are no international upsets like a Third World debt default, the forecasts are that industrial countries will have more growth, 3.5 percent for 1987 as against 3 percent for 1986.

Our exports will get a boost provided we are competitive against Hong Kong, Taiwan, and Korea.

We have to be trim, nimble, and productive. Only then shall we attract our share of new investments, especially for Japan, where many industries are no longer viable because of the stronger yen.

The drop in the value of the U.S. dollar (and with it the Singapore dollar) since last September against the yen, 40 percent, and against the German mark, 30 percent, means that we can sell more to Japan and to Europe.

This can be seen in tourist arrivals, Europeans up 10 percent, Japanese up 2.5 percent, Americans down 0.5 percent, worldwide up 2.8 percent.

I believe we have gone through the trough of this recession.

We have had no collapse of any bank or finance company. Our financial institutions and our finances are sound.

Only some stockbroking companies have gone under because of high-risk forward contracts.

And that happened not because of over-regulation, but because of poor self-regulation.

The next generation of leaders and workers have moved into key position.

They have to prove themselves equal to the job, now grown more complex and more demanding.

We shall know in another 18 months how effective they are. The early signs are good. There are signs that investment commitments may increase.

If workers observe wage restraint and increase productivity, we shall make up for the extra high increases we had given ourselves in 1983 and 1984 and become competitive against Hong Kong, Taiwan, and Korea. Then we shall be back to healthy growth.

MOKHTAR, DHANABALAN TO DISCUSS CAMBODIAN ISSUE

BK131146 Singapore Domestic Service in English 1100 GMT 13 Aug 86

[Text] The Indonesian foreign minister, Dr Mokhtar Kusumaatmaja, is in Singapore to hold talks with the minister for foreign affairs, Mr Dhanabalan. Speaking on his arrival at Changi Airport, Dr Mokhtar said in particular he would discuss the Cambodian question because of the Cambodian leader Prince Sihanouk's recent visit to Singapore and his coming trip to Jakarta.

He said ASEAN foreign ministers should now continue consultations. This is because of the coming UN General Assembly sessions, the Vietnamese party congress at the end of the year and Dr Mokhtar's planned visit to Hanoi after the congress.

Commenting on reports that China would not insist on a dominant position for the Khmer Rouge faction in the Cambodian coalition government if Vietnam withdraws from Cambodia, Dr Mokhtar said that pointed to a great deal of flexibility on China's part. It also showed that there is greater willingness to include the Vietnamese-back Heng Samrin regime in the 4-way coalition. Dr Mokhtar said he wanted to explore these points further in his talks with Mr Dhanabalan.

MISUARI RETURN SET FOR LATE AUGUST

HK140043 Manila PHILIPPINE DAILY INQUIRER in English 13 Aug 86 pp 1, 6

[By Rey Arquiza and Marlen Ronquillo]

[Text] Chairman Nur Misuari of the Moro National Liberation Front will come to Manila late this month to hold peace talks with government representatives on the protracted Mindanao problem, according to Deputy Foreign Affairs Minister Mamintal Tamano.

The Constitutional Commission [Con-Com] meanwhile, aborted the possibility of a change of heart by the MNLF official when the members reached a consensus favoring autonomy to the Cordilleras and Muslim Mindanao.

The body, however, agreed to limit the autonomy provisions to the two regions.

Misuari's warning that the scheduled peace talks may still be aborted should the Con-Com reject the autonomy grant to the two regions was relayed yesterday to the members by Abul Khayir, secretary general of the Muslim Federal Party.

Alonto [not further identified], who arrived Sunday from a round of talks with Misuari and other MNLF leaders in the Middle East, conveyed to the Con-Com the latter's fears of the outbreak of renewed fighting in Mindanao if the result of the deliberations were adverse.

Tamano said Libyan Ambassador Salem Addebb [name spelling as published] had relayed a message to President Aquino from Libya's Muammar al-Qadhdhafi on Misuari's impending arrival. Al-Qadhdhafi had persuaded Misuari to cooperate with the new government, Tamano added.

The MFA [Ministry of Foreign Affairs] official said that al-Qadhdhafi urged early implementation of the Tripoli Agreement.

Meanwhile, he also reported that the government is listing all claimants and heirs to Sabah for the early settlement of the ticklish issue with Malaysia.

"Nur Misuari believes that there will be no basis for holding the peace talks if the Con-Com votes down a provision for a meaningful and substantive autonomy for a Muslim Mindanao and the Cordilleras, Alonto told INQUIRER.

Alonto said his July 29 talk with Misuari focused on the draft provision endorsed by the Con-Com Local Government Committee for the creation of the autonomous regions for the Cordilleras and Muslim Mindanao.

Misuari, according to Alonto, feels that the Con-Com should not tie the hands of the Aquino government on the autonomy issue.

Misuari was "not too rigid" about his conditions for the peace talks. A mere decision from the Con-Com to lay its hands off the autonomy is acceptable to Misuari, Alonto said.

Misuari also expressed full support to the demands of the Cordillera people for a meaningful autonomy, he added.



Alonto said that Misuari does not discount the outbreak of hostilities in Southern Philippines should the Con-Com fail to pass the autonomy provisions and abort the peace talks scheduled in Jeddah, Saudi Arabia in September.

"Nur Misuari is not a man who makes threats. He left his statement at that." Alonto was a former MNLF Commander and political opposition [as published] of the Marcos regime.

"Autonomy and war" was the warning raised by two Con-Com members in their sponsorship speech of the committee level provision the other day.

Con-Com member Blas F. Ople and Ponciano Benagen called Con-Com's attention to existing conditions in Southern Philippines and the Cordilleras.

Benagen said the people in Muslim Mindanao and the Cordilleras are capable of waging a full blown war against the present government.

Ople said MNLF troops are holding their fire because of the coming peace talk in Jeddah and the scheduled meeting of the Organization of Islamic Conference (OIC).

#### Con-Com Approves Autonomy

HK140157 Manila Far East Broadcasting Company in English 2300 GMT 13 Aug 86

[Text] At the Constitutional Commission, the creation of autonomous regions in the Cordilleras and Muslim Mindanao was unanimously approved yesterday [13 Aug]. The provision for the creation of the two autonomous regions was embodied in section one of the revised article on local government prepared by the local government committee, headed by Commissioner Jose Nollado. Expected to be included in the Muslim Mindanao autonomous region are the provinces of Lanao del Sur, Lanao del Norte, Maguindanao, Sultan Kudarat, Basilan, Sulu and Tawitawi. In the Cordillera region, expected to be included are Kalinga-Apayao, Abra, Baguio City, Mountain Province and Benguet.

#### SULTANS WANT TRIPOLI AGREEMENT REPUDIATED

HK131000 Manila PHILIPPINE DAILY INQUIRER in English 11 Aug 86 pp 1, 6

[By Ed C. Perpenao]

[Text] Fifteen sultanates in Northern Mindanao want the Aquino government to repudiate the Tripoli Agreement which called for political autonomy in Regions 9 and 12 and the establishment of an independent Muslim army there.

Abdulah Ali Pacasum, sultan of Balo-i, said the leaders of these sultanates are now discussing an alternative to the agreement to end all hostilities in Mindanao.

The agreement, forged in 1976 between the Marcos regime and the Islamic Conference in Tripoli, Libya, is being reviewed by both the Aquino government and the Moro National Liberation Front in Jeddah, Saudi Arabia.

Through the negotiating table, the government seeks to end the MNLF-led Muslim insurgency in the South.

Pacasum said traditional Muslim leaders, including the imams, are against political autonomy or secession as originally demanded by MNLF rebels.

He added that the Tripoli Agreement "does not reflect the popular will" of the Muslim community.

"Only radical Muslims want the secession of Mindanao from the republic," Pacasum said. "And secession is not the solution to the Muslim problem."

Asked what alternative the leaders of the sultanates would submit to the government, the sultan merely said they will "help the Aquino government find a peace formula."

He added that his sultanate is spearheading a plenary meeting of the leaders of 14 other major sultanates in other regions.

The sultanate of Balo-i is one of four major principalities in Mindanao and Sulu called Pat-a-Pangampong which holds together all Maranao communities in the Lanao region.

#### MANILA BULLETIN ON CORDILLERA AUTONOMY

HK130015 Manila MANILA BULLETIN in English 12 Aug 86 p 4

[Editorial: "Demand for Autonomy"]

[Text] As late as the 1960's, we had not heard the Muslim demand for autonomy that is being aired for several years now. There might have been the silent desire to secede on the part of a few, considering the continual clashes between the government and some leaders and the cultural differences. But that was all.

It was only fairly recently that we started reading about the alleged demand by some leaders of the Cordillera provinces for autonomy. The demand came as a bit of a shock for many of us here.

The demand for autonomy in the far south and in the mountainous north is not surprising. It was motivated by long-standing neglect. For many years the government failed to provide the services needed by the rural folk and, interestingly, the representatives of those people in the legislature did not exert any truly significant effort to make the national government give more attention to their constituents.

In the south, economic deprivation was one of the reasons for the MNLF rising of the 1970's. That means to say, if the youths had jobs they would not have been easily swayed to take up arms against the government, for the MNLF soldiers were being paid as they fought the government.

In the Cordilleras, the people were not only neglected; they were also abused by government soldiers. That is why the people welcomed then candidate Corazon Aquino as a liberator when she visited some parts of the region.

If autonomy means granting more appropriations for the neglected regions and looking after the welfare of the people, by all means they should be given what they are asking for.

**AQUINO PROMOTES 19 MILITARY LEADERS**

HK060301 Manila MANILA BULLETIN in English 5 Aug 86 pp 1, 10

[By Ding Marcelo]

[Text] President Aquino has promoted 16 colonels to brigadier general and three Navy captains to commodore. All reportedly were military officials whose advancement had been "frozen" by former Armed Forces chief of staff Gen. Fabian Ver.

The appointees took their oaths before the President yesterday in simple rites at Malacanang attended by Defense Minister Juan Ponce Enrile, AFP [Armed Forces of the Philippine] chief of staff Gen. Fidel Ramos, and other Cabinet officials, along with the wives, children, and close relatives of the new generals.

Promoted to brigadier general were Col. Perfecto Arribas, Army; Federico P. Pasion Jr., Air Force; Luis G. San Andres, Constabulary; Franklin V. Samonte, Army; Capt. Reogelio Dayan, Navy; Antonio R. Samonte, Army; Capt. Carlito Y. Cunanan, Navy; Jesus C. de la Cruz, Constabulary; Dalmacio Pizana Jr., Army; Capt. Vicente R. Bueanaventura, Navy.

Colonels Domingo T. Rio, PC [Philippines Constabulary; Dalmacio Pizana Jr., Army; Capt. Vicente R. Bueanaventura,

Colonels Domingo T. Rio, PC [Philippines Constabulary] Ernesto A. Hermosa, PC; Orlando Q. Antonio, PC; Bayani N. Fabic, PC; Napoleon M. Angeles, Air Force; Maximino M. Bejar Jr., PROF [Expansion unknown], and Rodolfo G. Biazon, PC.

All the promotions were approved without exception from a list submitted by a committee headed by Gen. Ramos and endorsed through Minister Enrile.

It took President Aquino two months to review the names of the appointees, all of whom had served with distinction in the military but whose promotions reportedly were never favorably acted upon because of General Ver.

"These are the prejudiced group in the AFP," said Executive Secretary Joker Arroyo who was among Cabinet ministers present during the oath-taking.

The generals, resplendent in white uniforms, took their oaths simultaneously.

Later, each general, along with his family, had a photo taken with the President.

The most senior among the new appointees is General Arribas who belonged to Class 1957 of the Philippine Military Academy [PMA].

The youngest in seniority is General Biazon, concurrently the superintendent of the PMA who belonged to PMA class 1960.



MARCOS INTERVIEWED ON INSURGENCY, ECONOMY

HK111441 Manila THE MANILA TIMES in English 9 Aug 86 pp 1, 2

["Excerpts" from interview with Former President Marcos by the MANILA TIMES reporter Joel Gaborni in an overseas call to Hawaii on 8 August]

[Text] TIMES: What can you say about the country's insurgency problem?

Marcos: If the Americans will not intervene -- and if I will not volunteer to mobilize my own armed group to fight the rebels -- I can foresee the country will fall into the hands of the communists as early as January 1987. I received intelligence reports that the whole Metro Manila area is threatened by the NPAs. All surrounding provinces from Cagayan to Bicol are now controlled by the rebels. Even certain depressed areas within the metropolis are now seething with NPA activities. The number of rebels has also increased. During my term there were only about 11,000 communists rebels. Now even the U.S. Government admits the number has swollen to 22,000. My report said 15,000 of them are massed around Metro Manila. Joma (alleged Communist Party chief Jose Maria Sison) has predicted Cory's government will fall within three years.

TIMES: Is it true you are planning to return to the Philippines?

Marcos: I am willing to come back -- even not as President anymore if only to help save the country from falling into the communist hands. But the Americans who seem to dictate to Mrs. Aquino, will not allow that to happen. But I am not going to contest the presidency.

TIMES: On the recent promotions of 19 generals many said you neglected during your term, what can you say about them?

Marcos: I congratulate them. I hope they (the generals and all the soldiers) are being paid enough to motivate them to serve Mrs. Aquino.

TIMES: Are you willing to talk to Mrs Aquino during her trip to the U.S.?

Marcos: What for? Anyway, she will not listen to my advice. Mrs. Aquino's enmity towards me is that strong.

TIMES: What do you think will happen to the ongoing ceasefire talks between the government and the communists?

Marcos: Nothing will come out of them. Since the time of President Sergio Osmena government and rebel talks had been conducted, but they all failed.

TIMES: Is it true you just suffered a severe health setback?

Marcos: What health setback are they talking about? I have just finished jogging and doing push-ups.

TIMES: When do you think will the country's economy recover?

**Marcos:** I suspect the government is in a conspiracy to cover the real situation of the economy. I believe the (International Monetary Fund and the World Bank), sooner or later, will reject the country's economic recovery program because they suspect the government is not meeting certain conditions like the actual money supply, inflation rate, exchange rate, balance of payment budget and trade deficit. Mrs. Aquino should also explain how her government treasury, the P60 million to help the starving farmers in Negros and the P250 million to help them shift to other crops (other than sugar).

**TIMES:** What can you say about the plan to reopen the Aquino-Galman murder case and the inclusion of Mrs. Marcos as defendant?

**Marcos:** The present administration does not recognize the Bill of Rights. I believe the reopening of the case will subject the original respondents to double jeopardy which is prohibited by all previous Philippine constitutions. Mrs. Marcos...? Can you imagine that? I am convinced they (Mrs. Aquino and company) will go to the extent of fabricating evidence to get even with me.

#### 16 Aug Return 'Mere Speculation'

HK121501 Manila MANILA BULLETIN in English 12 Aug 86 pp 1, 10

[Text] Deposed President Marcos was reported yesterday to be arriving in the country on Saturday, Aug 16, from Hawaii, but Defense Minister Juan Ponce Enrile was quick to dismiss it as "mere speculation."

A report of Marcos' possible return was contained in a circular issued by Brig Gen Ramon E. Montano, chief of the Capital Region Command (Cap-Com), alerting its members on the former president's possible arrival.

Expressing surprise over the report, Enrile told newsmen that he thought "it is a very tall story."

"How can that be?" he said. "it is mere speculation, I guess."

He added that such a development would "embarrass the United States because they accepted him there and for him to be coming back... he has no passport."

Asked to comment on a statement by Marcos that the Aquino government will fall by next year, Enrile replied: "Well, coming from him, I would give it little value."

"You cannot expect Marcos to say nice things about this present regime, given the fact that it is this present regime that forced him into exile," he said.

Asked about reports on the movements of Gen Fabian C. Ver, Enrile said that Gen Fidel V. Ramos, chief of staff of the new Armed Forces, had reported that Ver was in Brunei in June.

Ver reportedly visited somebody in Brunei but he has now returned to the United States, Enrile said.

Asked about the identity of the person Ver visited, Enrile said that he is from Northern Luzon but refused to name him.

LATE REPORT: SOVIET OFFICIAL ON U.S. BASES

HK141319 Hong Kong AFP in English 1314 GMT 14 Aug 86

[Text] Manila, Aug 14 (AFP) -- The Philippines could be attacked by the Soviet Union in a nuclear war with the United States because of the presence of U.S. military bases in the country, a Soviet official said here Thursday. "I can never be sure that the Soviet Union will not attack the Philippines" if Washington started a nuclear war, as the country hosts key U.S. military bases, visiting member of the Soviet Presidium [as received] Alexsey Drugov told reporters.

The warning was the bluntest ever made by Moscow to Manila and came a month before President Corason Aquino's planned trip to the United States.

The Soviet Union will never start a nuclear war, but the siting of two U.S. military installations in the Philippines -- Subic Bay Naval Base and Clark Air Base -- exposes the country to Soviet retaliatory attack, he said. While the United States neither confirms nor denies the existence of nuclear weapons in these facilities, the policy is such that "you can never know what is going on in the bases in your territory," he added.

Philippine Foreign Minister Salvador Laurel admitted at a press conference here in June that Washington had never told Manila whether nuclear warheads were stored at the bases. Mrs. Aquino has pledged to respect the bases treaty, which expires in 1991, and to keep her options open after that.

Mr. Drugov also echoed the message delivered by Soviet leader Mikhail Gorbachev in Vladivostok July 28 that a withdrawal of U.S. military personnel from the Philippines would not go unanswered by Moscow. The Soviet Union is prepared to discuss and accept certain conditions so that Washington would not feel its security threatened in the region if it decided to abandon the bases, he added.

LATE REPORT: DEMONSTRATORS PROTEST AT U.S. EMBASSY

HK141253 Hong Kong AFP in English 1242 GMT 14 Aug 86

[Text] Manila, Aug 15 [date as received] (AFP) -- Police arrested a demonstrator in front of the U.S. Embassy here Thursday after student protestors defiled the embassy seal with pig's blood, eyewitnesses said. The incident came a week after U.S. Ambassador Stephen Bosworth complained to Manila Mayor Gemiliano Lopez that protests were allowed within a 500-meter (yard) [as received] radius of the embassy in violation of an agreement covering foreign missions.

The estimated 100 demonstrators from a leftist student group assembled at the gates of the embassy, chanted anti-American slogans, set fire to a U.S. flag they had brought with them and scrubbed the U.S. seal with a rag dipped in pig's blood, eyewitnesses said. A handful of policemen replying to an embassy call arrived after 10 minutes, prompting the demonstrators to flee down sidestreets chanting "down with imperialism, down with capitalism." One woman was caught by the police. She denied being part of the group, but policemen found banners in her possession and took her into custody. A U.S. Embassy spokesman said the mission did not plan to press any charges or file a complaint over the incident.



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